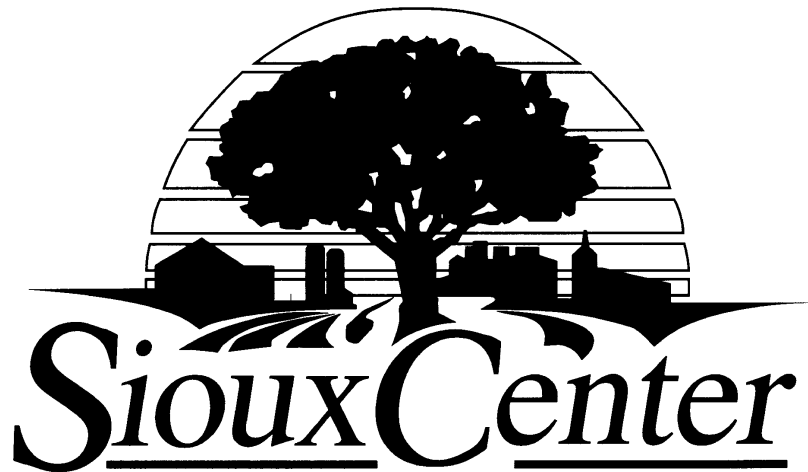


# City of Sioux Center, Iowa



## Annual Financial Report

for the fiscal year ended June 30, 2009

Prepared by:  
Finance Department  
Brad Van Schouwen, City Treasurer

# CITY OF SIOUX CENTER, IOWA

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# CITY OF SIOUX CENTER, IOWA

## Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Dennis Walstra	Mayor	Jan 2012
Dave Krahling	Council Member	Jan 2012
Scott Te Stroete	Council Member	Jan 2010
Verlyn Rozeboom	Council Member	Jan 2012
Randy Vreugdenhil	Council Member	Jan 2010
W. Dale Den Herder	Council Member	Jan 2010
Paul Clousing	City Manager	Jan 2010
Brad Van Schouwen	Treasurer, Finance Director	Jan 2010
Brian Van Engen	Attorney	Jan 2010



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October 31, 2009

The Honorable Mayor  
Members of the City Council  
Citizens of the City of Sioux Center, Iowa:

The Comprehensive Annual Financial Report for the City of Sioux Center for fiscal year ended June 30, 2009, has been prepared by the finance department and is submitted herewith. State law requires that every general-purpose local government publish a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2009.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements.

The City of Sioux Center's financial statements have been audited by Kroese & Kroese, P.C., a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance the financial statements of the City of Sioux Center for the fiscal year ended June 30, 2009, are free of material misstatements. The independent audit involved examining evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used by management and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the City of Sioux Center's financial statements for the fiscal year ended June 30, 2009, were fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Sioux Center's MD&A can be found immediately following the report of the independent auditor.

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## **Profile of the Government**

The City of Sioux Center, incorporated in 1891, is located in the northwest corner of Iowa, approximately 45 miles northeast of Sioux City, Iowa, and 60 miles southeast of Sioux Falls, South Dakota. Sioux Center is surrounded by rich farmland and consequently much of its local business and industrial base is agriculturally oriented.

The City provides the full range of municipal services authorized by state law and city ordinance. This includes police and fire protection, street system, sanitation system, library, parks and recreation, municipal airport, planning and zoning and code enforcement, and general administrative services necessary to serve the citizens of the community. The City also operates water, wastewater treatment, electric, and natural gas utility systems and a downtown mall.

The City operates under a council-manager form of government. Policy-making and legislative authority are vested in the city council consisting of the mayor and five members. The city council is responsible for passing ordinances, adopting the budget, appointing committees, and setting policy. The city manager is responsible for carrying out the policies of the council and for overseeing day-to-day operations of the City. The city council is elected on a non-partisan basis. Council members serve four-year staggered terms with an election every two years. The mayor is elected for a four-year term.

The annual budget serves as the foundation for the City of Sioux Center's financial planning and control. All departments of the City are required to submit their budget requests to be included in the budgeting process. The city manager and finance director compile these requests and present the proposed budget to the city council. The council considers the proposed budget, makes changes, and must adopt a final budget by March 15 of each year. The final adopted budget is the framework under which the City will operate in the next fiscal year. The legal level of budgetary control is at the function level rather than at the fund level. Budget-to-actual comparisons are provided in this report for each function.

## **Economic Condition and Outlook**

Construction activity in the City was robust in calendar year 2008. Twelve building permits were issued for commercial construction, eighty-three permits were issued for residential construction, and three permits were issued for tax-exempt construction. A total estimated taxable value of \$20,040,127 was added to the tax base this year.

Taxable retail sales in the City continued to increase this past year. The increase in taxable sales amounted to \$9,368,478 for a total of \$110,402,041. The City's retail sales account for 36% of all taxable sales in the county.

Based on current projections, we expect to see an increase in building construction in the future. Although accelerated growth has a positive impact on the local economy, it does present challenges for the orderly development of the community and keeping up with our infrastructure.


### **Long-term Financial Planning**

The city council and administration routinely consider the long-term outlook regarding financial matters. Operating budget decisions are based on the long-term impact of appropriations and funding. When considering capital improvement projects, the City considers the impact of investment in infrastructure and economic development, the associated debt burden, and additional operating commitments to ensure fiscally responsible decisions.

### **Acknowledgments**

The preparation of this report on a timely basis could not be accomplished without the dedicated services of the entire finance department. We wish to express our appreciation to all staff members who assisted and contributed to its preparation. We also thank the mayor and members of the city council for their continued interest and support of the City in a responsible and progressive manner.

Sincerely,

  
Paul Clousing  
City Manager

  
Brad Van Schouwen  
Finance Director



Independent Auditor's Report

To the Honorable Mayor and Members of the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Sioux Center, Iowa, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Sioux Center, Iowa management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above the present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Sioux Center, Iowa at June 30, 2009, and the respective change in financial positions and the cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our reports dated October 2, 2009 on our consideration of City of Sioux Center, Iowa's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 9 through 16 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.



Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Sioux Center, Iowa basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2008 (none of which are presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in pages 54 to 69, is presented for purposed of additional analysis and is not required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Sioux Center, Iowa  
October 2, 2009



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## Management Discussion and Analysis

June 30, 2009

As management of the City of Sioux Center, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City of Sioux Center for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal.

### Financial Highlights:

The assets of the City of Sioux Center exceeded liabilities at the close of business on June 30, 2009 by \$70,930,331 (net assets). Of this amount, \$23,335,011 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

The City's net assets increased by \$7,656,892 during the fiscal year. An increase of \$5,310,215 is attributable to governmental activities and an increase of \$2,346,677 to business type activities.

The City's long-term debt increased \$3,063,000. General Obligation debt totaled \$13,880,000 and other long-term debt totaled \$4,842,000.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Sioux Center's basic financial statements. The City of Sioux Center's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Sioux Center's finances in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Sioux Center is improving or deteriorating.

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The statement of activities presents information showing how the City's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs.

Both of the government-wide financial statements distinguish functions of the City of Sioux Center that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Sioux Center, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Sioux Center can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the city's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Sioux Center adopts an annual appropriated budget. A budget comparison statement has been provided to demonstrate compliance with the budget.

### **Proprietary Funds**

The City of Sioux Center maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the activities of the electric utility, gas utility, water utility, sewer utility and the Centre Mall.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements include a statement of cash flows in addition to the basic financial reports.

**Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Sioux Center's programs.

## Government-wide Financial Analysis

As stated earlier, net assets may serve over time as a useful indicator of the City's financial position. The largest part of the City's net assets reflects its investment in capital assets, less any related debt used to acquire those assets. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these long-term liabilities.

### City of Sioux Center Net Assets

	Governmental Activities <u>2009</u>	Business- type Activities <u>2009</u>	Total <u>2009</u>	Governmental Activities <u>2008</u>	Business- type Activities <u>2008</u>	Total <u>2008</u>
Current and other assets	\$5,554,261	\$15,308,540	\$20,862,801	\$6,224,418	\$20,913,487	\$27,137,905
Capital assets	<u>39,592,884</u>	<u>31,277,724</u>	<u>70,870,608</u>	<u>29,437,093</u>	<u>25,372,210</u>	<u>54,809,303</u>
Total assets	<u>45,147,145</u>	<u>46,586,264</u>	<u>91,733,409</u>	<u>35,661,511</u>	<u>46,285,697</u>	<u>81,947,208</u>
Noncurrent liabilities	10,449,078	8,272,922	18,722,000	5,843,466	9,815,534	15,659,000
Other liabilities	<u>661,881</u>	<u>1,419,201</u>	<u>2,081,082</u>	<u>1,092,074</u>	<u>2,212,408</u>	<u>3,304,482</u>
Total liabilities	<u>11,110,959</u>	<u>9,692,123</u>	<u>20,803,082</u>	<u>6,935,540</u>	<u>12,027,942</u>	<u>18,963,482</u>
Net assets:						
Invested in capital assets, net of related	29,143,806	15,805,673	44,949,479	23,593,626	15,556,676	39,150,302
Restricted	1,411,693	1,234,146	2,645,839	754,599	1,190,936	1,945,535
Unrestricted	<u>3,480,688</u>	<u>19,854,323</u>	<u>23,335,011</u>	<u>4,377,746</u>	<u>17,510,143</u>	<u>21,887,889</u>
Total net assets	<u>\$34,036,187</u>	<u>\$36,894,142</u>	<u>\$70,930,329</u>	<u>\$28,725,971</u>	<u>\$34,257,755</u>	<u>\$62,983,726</u>

An additional portion of the City of Sioux Center's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Sioux Center is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The City's total net assets increased during the current fiscal year. The increase in net assets in the business-type activities was typical and the significant increase in the governmental activities column is explained in further detail in the following section.



## Governmental Activities

A summary of the City's changes in net assets follows:

### City of Sioux Center Change Net Assets

	Governmental Activities <u>2009</u>	Business- type Activities <u>2009</u>	Total <u>2009</u>	Governmental Activities <u>2008</u>	Business- type Activities <u>2008</u>	Total <u>2008</u>
Revenues:						
Charges for services	\$1,590,881	\$23,905,846	\$25,496,727	\$1,519,430	\$23,403,736	\$24,923,166
Operating grants and contributions	481,551		481,551	542,128		542,128
Capital grants and contributions	401,970		401,970	387,295		387,295
General Revenues:						
Property taxes	2,298,169		2,298,169	2,095,357		2,095,357
Tax increment financing	1,570,680		1,570,680	1,230,337		1,230,337
Local option sales tax	647,398		647,398	562,369		562,369
Use of property and money	128,520	498,962	627,482	222,533	627,900	850,433
Miscellaneous	<u>5,151,748</u>	<u>1,241,096</u>	<u>6,392,844</u>	<u>1,799,569</u>	<u>102,726</u>	<u>1,902,295</u>
Total Revenues:	<u>12,270,917</u>	<u>25,645,904</u>	<u>37,916,821</u>	<u>8,359,018</u>	<u>24,134,362</u>	<u>32,493,380</u>
Expenses:						
Public safety	996,337		996,337	812,532		812,532
Public works	1,357,890		1,357,890	1,473,643		1,473,643
Culture and recreation	3,135,324		3,135,324	2,400,998		2,400,998
Community and economic development	133,247		133,247	231,692		231,692
General government	626,507		626,507	592,506		592,506
Interest on debt	307,498		307,498	238,421		238,421
Capital projects			0			0
Centre Mall		1,117,315	1,117,315		1,189,137	1,189,137
Water Utility		1,147,543	1,147,543		1,098,883	1,098,883
Sewer Utility		1,141,327	1,141,327		1,017,284	1,017,284
Electric Utility		7,155,946	7,155,946		6,102,993	6,102,993
Gas Utility		<u>13,140,995</u>	<u>13,140,995</u>		<u>13,485,073</u>	<u>13,485,073</u>
Total Expenses	<u>6,556,803</u>	<u>23,703,126</u>	<u>30,259,929</u>	<u>5,749,792</u>	<u>22,893,370</u>	<u>28,643,162</u>
Increase/(decrease) in net assets before other financing sources	5,714,114	1,942,778	7,656,892	2,609,226	1,240,992	3,850,218
Other financing sources (uses)	<u>(403,899)</u>	<u>403,899</u>	<u>0</u>	<u>(250,734)</u>	<u>250,734</u>	<u>0</u>
Increase/(decrease) in net assets	<u>5,310,215</u>	<u>2,346,677</u>	<u>7,656,892</u>	<u>2,358,492</u>	<u>1,491,726</u>	<u>3,850,218</u>
Net assets-beginning	<u>28,725,971</u>	<u>34,547,468</u>	<u>63,273,439</u>	<u>26,367,478</u>	<u>33,055,742</u>	<u>59,423,220</u>
Net assets-ending	<u>\$34,036,186</u>	<u>\$36,894,145</u>	<u>\$70,930,331</u>	<u>\$28,725,970</u>	<u>\$34,547,468</u>	<u>\$63,273,438</u>

Property tax revenues for general purposes increased by \$94,118 or approximately 8%. This increase is due to continued growth in property valuations. Trust and agency tax revenues increased by \$79,155, this levy can only be used to fund general government employee benefits such as health insurance premiums, workmen's compensation insurance premiums and payroll taxes. This increase is due to a small increase in the trust and agency levy. The debt service rate levied the same as the previous year..

The increase in net assets in the governmental activities column in 2009 was \$5,310,215. In 2008 there was a increase in net assets for governmental activities of \$2,358,492. This discrepancy is due to the timing of grants, refunds and miscellaneous revenues for the City's capital projects that occur over several fiscal years.

For the most part, increases in expenses closely paralleled inflation and growth in demand for services, both in the general government and business-type activities.

### **Business-Type Activities**

Business-type activities increased the City of Sioux Center's net assets by \$2,346,675.

The net revenue (expense) by business activity is shown in the following table:

City of Sioux Center Business-Type Activities

<u>Business Type Activity</u>	<u>2009</u>	<u>2008</u>
Electric Utility	\$313,177	\$559,616
Natural Gas Utility	1,618,814	451,157
Water Utility	81,072	33,153
Sewer Utility	(108,234)	15,498
Centre Mall	<u>441,846</u>	<u>142,589</u>
Change in Net Assets	<u>\$2,346,675</u>	<u>\$1,202,013</u>

The net revenue in the electric utility in 2009 was less than what was received in 2008. 2008 was an atypical year in which less system maintenance occurred. The net revenue realized in 2009 is still an appropriate change in net assets for the electric fund.

The substantial net revenue in the gas utility in 2009 is primarily due to an equity distribution from the natural gas fund's supplier, National Public Gas Agency. The increase in net assets for the gas utility in 2008 is more typical of the fund.

The deficit in the sewer utility in 2009 is due primarily to increased maintenance costs of an aging sewer plant and system. The sewer fund also recently took on new debt which increased interest costs.

The Centre Mall received more net revenue in 2009 than 2008. This extra revenue in 2009 helped service debt on the mall and came from tax-increment financing.



## **Financial Analysis of the City's Funds**

As noted earlier, Sioux Center uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the City's governmental funds is to provide information on near-term resources. Unreserved fund balance may serve as a useful measure of a government's net resources available at the end of a fiscal year. The City's governmental funds reported combined ending fund balances of \$4,751,770.

The general fund is the primary fund of the City. The general fund balance decreased by \$349,145 as of June 30, 2009.

## **Budgetary Highlights**

The City of Sioux Center adopted one budget amendment during fiscal year. The total amendment increased budget disbursements by \$9,751,999. The majority of this amendment was due to capital projects. Disbursements did not exceed the amended budget in fiscal year 2009.

## **Capital Assets**

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2009, amounts to \$44,949,478 (net of accumulated depreciation and related debt). Capital assets include land, construction in progress, buildings, improvements, machinery and equipment, and all infrastructure. The total governmental-type capital assets (net of depreciation and related debt) increased \$5,550,180. The increase in capital assets in business-type activities totaled \$866,750. The net increase in capital assets for all activities for the fiscal year was \$6,416,929. A majority of the increase in capital assets for business-type activities is due to utility system extensions. Most of the increase in capital assets for governmental activities is the City's continued investment in infrastructure and new or additions to buildings.

For further information on additions and deletions to the City's capital assets this fiscal year, refer to the Capital Assets section in the Notes to Financial Statements.

## **Debt Administration**

The City of Sioux Center had \$13,880,000 general obligation debt and \$4,842,000 revenue bonds (and notes) debt outstanding as of June 30, 2009. This is a net increase of \$3,063,000 from the balance at the end of the previous fiscal year. The increase in bonds outstanding is due to a general obligation bond issue that the City used to provide financing on the South Ridge project, a residential, commercial and golf course development.

The City's general obligation debt is limited by the State of Iowa to 5% of the actual value of all taxable property in the community. The City's general obligation debt limit is \$17,215,706. Net bonded debt applicable to the City's debt limit (total issues outstanding less funds reserved for repayment of debt) is \$8,780,000 or 51% of the City's total debt limit.

For further information on the City's change in debt this fiscal year, refer to the Changes in Long-term Liabilities section in the Notes to Financial Statements.

### **Economic Factors**

Construction activity in the City continued to increase in calendar year 2008. Twelve building permits were issued for commercial construction, eighty-three permits were issued for residential construction and three permits were issued for tax exempt construction.

Total estimated taxable value of \$20,040,127 was added to the tax base as compared to \$22,698,173 in the prior year.

Taxable retail sales continued to increase this year. The increase in taxable sales amounted to \$9,368,478 for a total of \$110,402,041. The City's retail sales account for 36% of all taxable sales in the county.

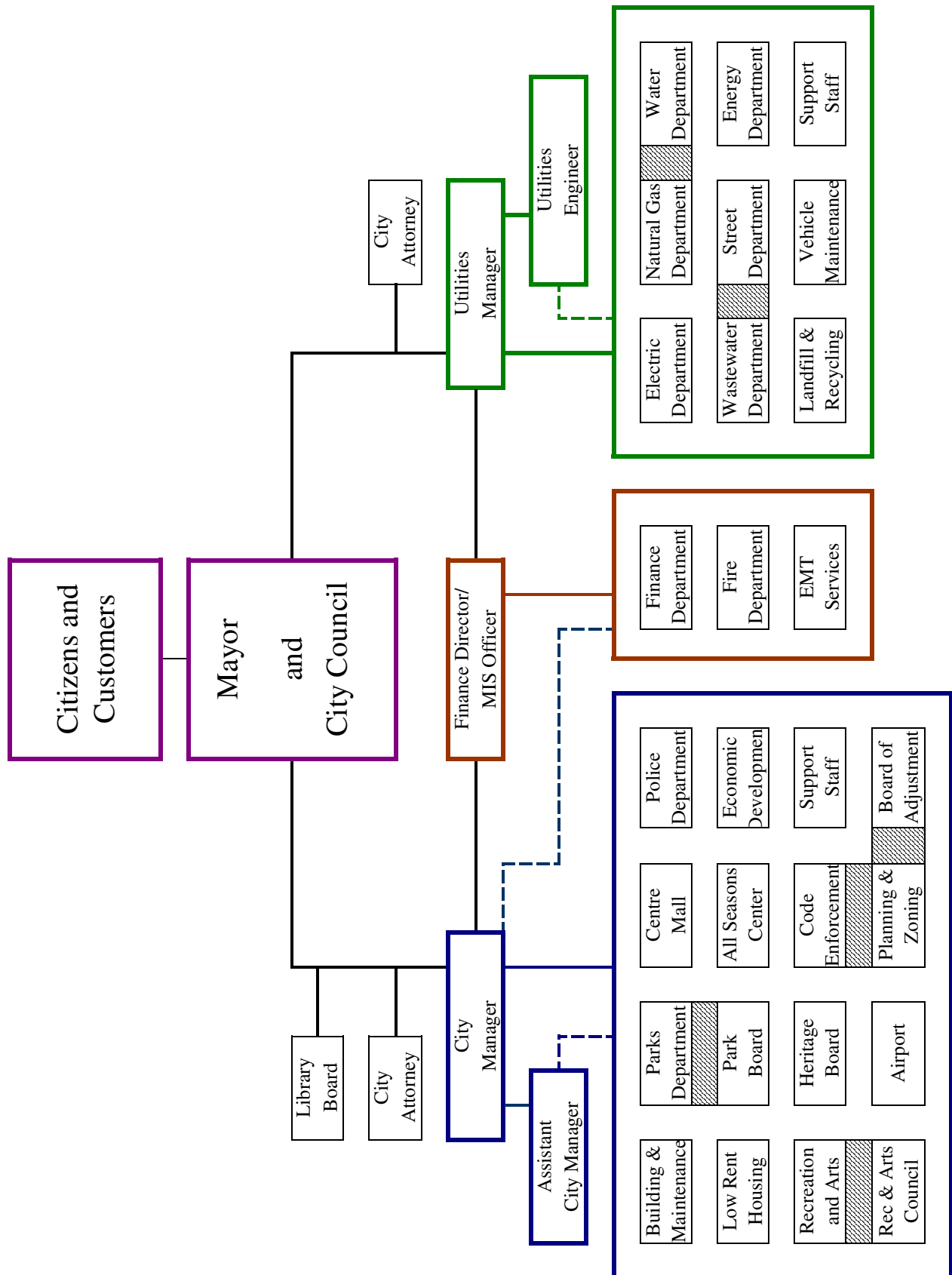
### **Contacting Sioux Center's Finance Department**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of Sioux Center's finances and to demonstrate the City's accountability for the money it receives. Questions about this report or requests for additional financial information should be addressed to: Brad Van Schouwen, Finance Director, City of Sioux Center, 335 1<sup>st</sup> Ave NW, Sioux Center, Iowa 51250.

# City of Sioux Center

## Organizational Structure

June 30, 2009



# CITY OF SIOUX CENTER, IOWA

## Statement of Net Assets

June 30, 2009

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash and Pooled Investments	\$4,880,430	\$8,882,599	\$13,763,029
Receivables (net of allowance for uncollectibles):			
Taxes	3,488		3,488
Special Assessments	240,163		240,163
Accounts	169,762	1,925,904	2,095,666
Notes		3,137,660	3,137,660
Accrued Interest		50,875	50,875
Inventory		1,018,884	1,018,884
Prepaid Expenses	148,016	84,449	232,465
Nonoperating Properties-Land		5,350,840	5,350,840
Investment in Joint Ventures		1,848,290	1,848,290
Deferred Bond Issuance Costs, Discounts	112,403	164,702	277,105
Restricted Assets:			
Customer Deposits		43,467	43,467
Capital Assets (Net of accumulated depreciation)	<u>39,592,884</u>	<u>24,078,594</u>	<u>63,671,478</u>
Total Assets	<u>45,147,145</u>	<u>46,586,264</u>	<u>91,733,410</u>
 <b><u>Liabilities and Net Assets</u></b>			
<b><u>Liabilities</u></b>			
Accounts Payable	298,422	1,262,900	1,561,322
Accrued Interest Payable	34,316	36,973	71,289
Compensated Absences	85,492	75,860	161,352
Deposits		43,467	43,467
Deferred Revenue:			
Succeeding Year Property Tax	243,651		243,651
Noncurrent Liabilities:			
Due within one Year			
General Obligation Bonds	1,006,493	633,507	1,640,000
Revenue Bonds		266,000	266,000
Due in more than one Year			
General Obligation Bonds	9,442,585	2,797,415	12,240,000
Revenue Bonds		<u>4,576,000</u>	<u>4,576,000</u>
Total Liabilities	<u>11,110,959</u>	<u>9,692,123</u>	<u>20,803,082</u>
 <b><u>Net Assets</u></b>			
Investment in Capital Assets, net of Related Debt	29,143,806	15,805,673	44,949,478
Restricted:			
Debt Service	1,411,693	1,234,146	2,645,839
Unrestricted	<u>3,480,688</u>	<u>19,854,323</u>	<u>23,335,011</u>
Total Net Assets	<u>34,036,186</u>	<u>36,894,142</u>	<u>70,930,328</u>
Total Liabilities and Net Assets	<u>\$45,147,145</u>	<u>\$46,586,264</u>	<u>\$91,733,410</u>

See notes to financial statements

# CITY OF SIOUX CENTER, IOWA

## Statement of Activities For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		Total	
		Charges for Svcs	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities		Business-Type Activities
Governmental activities:							
Public safety	(\$996,337)	\$50,228			(\$946,109)	(\$946,109)	
Public works	(1,357,890)	490,109	\$481,551		(386,230)	(386,230)	
Culture and recreation	(3,135,324)	917,498			(2,217,826)	(2,217,826)	
Community and economic development	(133,247)	96,457			(36,790)	(36,790)	
General government	(626,507)	36,589			(589,918)	(589,918)	
Interest on long-term debt	(307,498)				(307,498)	(307,498)	
Capital projects				\$401,970	401,970	401,970	
Total governmental activities	<u>(6,556,804)</u>	<u>1,590,881</u>	<u>481,551</u>	<u>401,970</u>	<u>(4,082,402)</u>	<u>-</u>	
Business-type activities:							
Centre Mall	(1,117,315)	472,346				(644,969)	
Water	(1,147,543)	1,246,025				98,482	
Sewer	(1,141,327)	1,012,341				(128,986)	
Electric	(7,155,946)	7,610,111				454,165	
Gas	<u>(13,140,995)</u>	<u>13,565,023</u>				<u>424,028</u>	
Total business-type activities	<u>(23,703,126)</u>	<u>23,905,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>202,720</u>	
Total primary government	<u>(\$30,259,930)</u>	<u>\$25,496,727</u>	<u>\$481,551</u>	<u>\$401,970</u>	<u>(\$4,082,402)</u>	<u>\$202,720</u>	
General Revenues:							
Property tax levied for:							
General purposes					\$1,409,062	\$1,409,062	
Community center					40,144	40,144	
Trust and agency					719,102	719,102	
Tax increment financing					1,570,680	1,570,680	
Debt service					129,861	129,861	
Local option sales tax					647,398	647,398	
Unrestricted investment earnings					128,520	\$498,962	
Miscellaneous					5,151,748	1,241,096	
Transfers					<u>(403,899)</u>	<u>403,899</u>	
Total general revenues and transfers					<u>9,392,617</u>	<u>2,143,957</u>	
Change in net assets					5,310,215	2,346,677	
Net assets -- beginning					<u>28,725,971</u>	<u>34,547,468</u>	
Net assets -- ending					<u>\$34,036,186</u>	<u>\$36,894,145</u>	

See notes to financial statements

# CITY OF SIOUX CENTER, IOWA

## Balance Sheet Governmental Funds June 30, 2009

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	Total Governmental Funds
<b><u>Assets</u></b>					
Cash and Pooled Investments	\$2,940,361	\$1,746,694	\$6,596	\$176,549	\$4,870,200
Accounts Receivable	169,104				169,104
Due from Other Funds	<u>658</u>	<u>23,407</u>	<u>        </u>	<u>        </u>	<u>24,065</u>
Total Assets	<u><u>3,110,123</u></u>	<u><u>1,770,100</u></u>	<u><u>6,596</u></u>	<u><u>176,549</u></u>	<u><u>5,063,369</u></u>
<b><u>Liabilities</u></b>					
Accounts Payable	208,466	11,954		67,774	288,193
Due to Other Funds	<u>        </u>	<u>        </u>	<u>        </u>	<u>23,407</u>	<u>23,407</u>
Total Liabilities	<u><u>208,466</u></u>	<u><u>11,954</u></u>	<u><u>0</u></u>	<u><u>91,180</u></u>	<u><u>311,599</u></u>
<b><u>Fund Balances</u></b>					
Unreserved					
General Fund	2,901,658				2,901,658
Special Revenue Funds		1,758,146			1,758,146
Debt Service Fund			6,596		6,596
Capital Project Funds	<u>        </u>	<u>        </u>	<u>        </u>	<u>85,369</u>	<u>85,369</u>
Total Fund Balance	<u><u>2,901,658</u></u>	<u><u>1,758,146</u></u>	<u><u>6,596</u></u>	<u><u>85,369</u></u>	<u><u>4,751,770</u></u>
Total Liabilities and Fund Balance	<u><u>\$3,110,123</u></u>	<u><u>\$1,770,100</u></u>	<u><u>\$6,596</u></u>	<u><u>\$176,549</u></u>	<u><u>\$5,063,369</u></u>

See notes to financial statements

# CITY OF SIOUX CENTER, IOWA

## Reconciliation of the Balance Sheet Governmental Funds to the Statement of Net Assets June 30, 2009

<b>Total governmental fund balances</b>	<b>\$4,751,770</b>
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***Amounts reported for governmental activities in the  
statement of net assets are different because:***

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. The cost of assets (including infrastructure) is \$51,043,840 and the accumulated depreciation is \$11,450,957	39,592,884
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The unamortized portion of prepaid items are not current financial resources and, therefore, are not reported in the funds.	148,016
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Long-term liabilities, including bonds payable, accrued interest payable and other related accounts, are not due and payable in the current period and therefore are not reported in the governmental funds.	(10,370,991)
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Compensated absences payable do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(85,492)</u>
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<b>Net assets of governmental activities</b>	<b><u>\$34,036,186</u></b>
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# CITY OF SIOUX CENTER, IOWA

## Statement of Revenues and Expenditures

### Governmental Funds

June 30, 2009

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
<b>Revenues:</b>					
Property Taxes	\$1,449,206	\$719,102	\$129,861		\$2,298,169
TIF Revenue		1,570,680			1,570,680
Other City Taxes		647,398			647,398
Licenses and Permits	130,642				130,642
Use of Money and Property	640,064	11,731	7,857		659,653
Intergovernmental	61,639	481,551		\$ 548,497	1,091,687
Charges for Services	774,884			401,970	1,176,853
Special Assessments	7,995			153,505	161,500
Miscellaneous	<u>764,090</u>	<u>—</u>	<u>23,803</u>	<u>267,279</u>	<u>1,055,171</u>
Total Revenues	<u>3,828,519</u>	<u>3,430,463</u>	<u>161,522</u>	<u>1,371,250</u>	<u>8,791,754</u>
<b>Expenditures:</b>					
Public Safety:					
Police	590,547				590,547
Fire	205,353				205,353
Ambulance	17,150				17,150
Animal Control	<u>1,509</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,509</u>
Total Public Safety	<u>814,558</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>814,558</u>
Public Works:					
Street Maintenance	86,584	113,359			199,943
Street Admin	35,501				35,501
Street Lighting	63,555				63,555
Traffic Safety	13,127				13,127
Snow Removal	148,785				148,785
Street Cleaning	51,046				51,046
Airport	105,144				105,144
Solid Waste	244,354				244,354
Storm Sewer	<u>34,600</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>34,600</u>
Total Public Works	<u>782,697</u>	<u>113,359</u>	<u>0</u>	<u>0</u>	<u>896,056</u>
Culture and Recreation:					
Museum	18,000				18,000
Parks	208,422				208,422
Sandy Hollow	64,676				64,676
Arts & Crafts	62,925				62,925
Annual Events	9,179				9,179
Recreation	146,923				146,923
Senior Center	165,724				165,724
Library	413,341				413,341
All Seasons Center	1,165,042				1,165,042
Athletic Field	<u>640,765</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>640,765</u>
Total Culture and Recreation	<u>2,894,998</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,894,998</u>
Community and Economic Development:					
Beautification	9,398				9,398
Industrial Development	67,397				67,397
Zoning	42,176				42,176
Sr Citizen Transportation	<u>14,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>14,000</u>
Total Community and Economic Dev	<u>132,971</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>132,971</u>
General Government					
Executive Administration	471,328				471,328
Financial Administration	116,349				116,349
Elections	0				0
City Hall	<u>87,427</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>87,427</u>
Total General Government	<u>675,103</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>675,103</u>
Debt Service:			2,459,808		2,459,808
Capital Projects:				10,861,506	10,861,506
Total Expenditures	<u>5,300,327</u>	<u>113,359</u>	<u>2,459,808</u>	<u>10,861,506</u>	<u>18,735,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,471,808)</u>	<u>3,317,104</u>	<u>(2,298,287)</u>	<u>(9,490,255)</u>	<u>(9,943,246)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers From Other Funds	2,693,973		676,972	380,467	3,751,412
Transfers To Other Funds	(1,141,317)	(2,902,088)		(111,906)	(4,155,311)
Proceeds from Bond Issuance	<u>—</u>	<u>—</u>	<u>1,585,000</u>	<u>8,413,000</u>	<u>9,998,000</u>
Total Other Financing Sources (Uses)	<u>1,552,656</u>	<u>(2,902,088)</u>	<u>2,261,972</u>	<u>8,681,561</u>	<u>9,594,101</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$80,848</u>	<u>\$415,015</u>	<u>(\$36,315)</u>	<u>(\$808,694)</u>	<u>(\$349,145)</u>

**CITY OF SIOUX CENTER, IOWA**  
Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Governmental Funds to the Statement of Activities  
June 30, 2009

**Net change in fund balances-Total governmental funds** (\$349,145)

***Amounts reported for governmental activities in the statement of activities are different because:***

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay exceeded depreciation expense in the current year as follows:

Expenditures for capital assets	\$11,459,864	
Depreciation expense	(1,304,073)	10,155,791

Compensated absences accrued is not reported in the governmental funds as it does not consume current financial resources. The net change in compensated absences is as follows: (12,352)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Current year debt exceeded debt repayments as follows:

Bonds and loans issued	\$(6,685,000)	
Principal payments	2,079,388	(4,605,612)

Interest expenditures in governmental funds include interest that becomes legally payable, but interest expense in the Statement of Activities includes accrued interest payable, premium amortization, and deferred bond issue cost amortization, as follows:

Interest on long-term debt	\$72,921	
Bond issue amortization	37,479	
Bond discount amortization	12,815	123,215

Prepaid expenses in the governmental funds have been recorded as expenditures when paid. However, the statement of activities will report these items as expenditures in the period that the corresponding net asset is exhausted. (1,682)

**Change in net assets of governmental activities** \$5,310,215

# CITY OF SIOUX CENTER, IOWA

## Statement of Net Assets

### Proprietary Funds

June 30, 2009

<b>ASSETS</b>	<u>Electric</u>	Natural <u>Gas</u>	<u>Water</u>	<u>Sewer</u>	Centre <u>Mall</u>	<u>Totals</u>
<b>Current Assets</b>						
Cash and Pooled Investments	\$1,907,013	\$5,192,789	\$732,995	\$939,241	\$110,562	\$8,882,599
Receivables:						
Accounts	638,844	1,106,221	111,883	68,956		1,925,904
Notes	1,154,860	1,982,800				3,137,660
Accrued Interest	25,438	25,438				50,875
Inventory	792,249	118,631	108,004			1,018,884
Prepaid Expenses	<u>21,485</u>	<u>10,262</u>	<u>19,861</u>	<u>19,991</u>	<u>12,851</u>	<u>84,449</u>
Total Current Assets	<u>4,539,888</u>	<u>8,436,141</u>	<u>972,742</u>	<u>1,028,188</u>	<u>123,412</u>	<u>15,100,371</u>
<b>Noncurrent Assets</b>						
Nonoperating Properties-Land	3,237,199	2,113,641				5,350,840
Investment in Joint Venture	1,848,290					1,848,290
Deferred Bond Issue Costs			37,158	5,365	26,433	68,956
Deferred Bond Discount Costs			63,595	5,890	26,262	95,746
Restricted Cash:						
Customer Deposits	15,486	19,686	8,295			43,467
Capital Assets (net of depreciation)	5,038,421	3,206,379	7,529,808	3,077,532	5,091,900	23,944,039
Transmission System	1,256,983					1,256,983
Transmission System Accum Depreciation	<u>(1,122,428)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,122,428)</u>
Total Noncurrent Assets	<u>10,273,951</u>	<u>5,339,706</u>	<u>7,638,855</u>	<u>3,088,787</u>	<u>5,144,594</u>	<u>31,485,893</u>
<b>Total Assets</b>	<u>14,813,839</u>	<u>13,775,847</u>	<u>8,611,597</u>	<u>4,116,975</u>	<u>5,268,007</u>	<u>46,586,264</u>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Accounts Payable	605,892	569,750	34,924	31,472	20,863	1,262,900
Accrued Interest Payable			26,882	4,377	5,715	36,973
Compensated Absences Payable	22,544	13,622	16,347	16,104	7,244	75,860
Deposits	15,486	19,686	8,295			43,467
Bonds, notes and loans payable	<u>—</u>	<u>—</u>	<u>191,657</u>	<u>202,849</u>	<u>505,000</u>	<u>899,507</u>
Total Current Liabilities	<u>643,922</u>	<u>603,058</u>	<u>278,105</u>	<u>254,801</u>	<u>538,822</u>	<u>2,318,707</u>
<b>Noncurrent Liabilities</b>						
Bonds, notes and loans payable	<u>—</u>	<u>—</u>	<u>4,075,457</u>	<u>1,497,958</u>	<u>1,800,000</u>	<u>7,373,415</u>
Total Noncurrent Liabilities	<u>0</u>	<u>0</u>	<u>4,075,457</u>	<u>1,497,958</u>	<u>1,800,000</u>	<u>7,373,415</u>
<b>Total Liabilities</b>	<u>643,922</u>	<u>603,058</u>	<u>4,353,562</u>	<u>1,752,759</u>	<u>2,338,822</u>	<u>9,692,123</u>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	5,172,976	3,206,379	3,262,693	1,376,725	2,786,900	15,805,673
Restricted for debt service			334,953	250,994	142,285	728,232
Unrestricted	<u>8,996,941</u>	<u>9,966,410</u>	<u>660,389</u>	<u>736,497</u>	<u>—</u>	<u>20,360,237</u>
Total Net Assets	<u>\$14,169,917</u>	<u>\$13,172,789</u>	<u>\$4,258,035</u>	<u>\$2,364,216</u>	<u>\$2,929,185</u>	<u>\$36,894,142</u>

See notes to financial statements

**CITY OF SIOUX CENTER, IOWA**  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
June 30, 2009

	Electric	Natural Gas	Water	Sewer	Centre Mall	Totals	Governmental Activities- Internal Service Fund
<b>Operating Revenues</b>							
Charges for Services	\$7,551,987	\$13,564,585	\$1,239,217	\$1,008,418	\$460,201	\$23,824,408	\$160,136
Earnings from Joint Venture	34,120					34,120	
Miscellaneous	<u>24,004</u>	<u>438</u>	<u>6,808</u>	<u>3,922</u>	<u>12,145</u>	<u>47,316</u>	
Total Operating Revenues	<u>7,610,111</u>	<u>13,565,023</u>	<u>1,246,025</u>	<u>1,012,341</u>	<u>472,346</u>	<u>23,905,844</u>	<u>160,136</u>
<b>Operating Expenses</b>							
Personnel Services	496,645	356,232	354,645	384,955	198,851	1,791,329	79,092
Utilities	13,859	12,968	81,209	100,268	49,301	257,604	
Repairs and Maintenance	247,535	223,440	209,551	274,302	42,942	997,770	87,072
Taxes	11,157	3,475			245,420	260,052	
Other Supplies	9,276	9,378	8,601	8,527		35,782	
Insurance Expenses	21,835	8,994	20,342	20,023	16,846	88,039	
Depreciation and Amortization	525,534	203,885	264,329	281,897	375,349	1,650,995	
Legal and Professional	14,070	9,502	21,769	9,118	9,988	64,447	
Advertising	9,001	7,917			51,015	67,934	
Miscellaneous	52,432	36,465	853	1,686		91,436	
Resale Purchases	<u>5,754,602</u>	<u>12,268,739</u>	<u>1,322</u>			<u>18,024,663</u>	
Total Operating Expenses	<u>7,155,946</u>	<u>13,140,995</u>	<u>962,620</u>	<u>1,080,776</u>	<u>989,713</u>	<u>23,330,051</u>	<u>166,164</u>
Total Operating Income (Loss)	454,164	424,027	283,404	(68,435)	(517,368)	575,793	(6,028)
<b>Nonoperating Revenues (Expenses)</b>							
Interest and Investment Revenue	83,311	137,726	31,327	11,336	23,590	287,290	6,028
Gain on Sale of Assets		50,000				50,000	
Land Rental	124,194	37,478				161,672	
Equity Distribution		1,241,096				1,241,096	
Interest Expense			(184,923)	(60,551)	(127,602)	(373,075)	
Total Nonoperating Revenue (Expenses)	<u>207,506</u>	<u>1,466,299</u>	<u>(153,596)</u>	<u>(49,215)</u>	<u>(104,011)</u>	<u>1,366,982</u>	<u>6,028</u>
Income (Loss) Before Contributions and transfers	<u>661,670</u>	<u>1,890,326</u>	<u>129,808</u>	<u>(117,651)</u>	<u>(621,379)</u>	<u>1,942,775</u>	<u>(0)</u>
<b>Transfers In</b>			1,883	9,416	1,063,225	1,074,524	
<b>Transfers Out</b>	<u>(348,493)</u>	<u>(271,512)</u>	<u>(50,620)</u>			<u>(670,625)</u>	
Change in Net Assets	313,177	1,618,814	81,072	(108,234)	441,846	2,346,674	(0)
Total Net Assets - Beginning	<u>13,856,740</u>	<u>11,553,975</u>	<u>4,176,963</u>	<u>2,472,450</u>	<u>2,487,339</u>	<u>34,547,468</u>	<u>0</u>
Total Net Assets-Ending	<u>\$14,169,917</u>	<u>\$13,172,789</u>	<u>\$4,258,035</u>	<u>\$2,364,216</u>	<u>\$2,929,185</u>	<u>\$36,894,142</u>	<u>(\$0)</u>

See notes to financial statements

# CITY OF SIOUX CENTER, IOWA

## Statement of Cash Flows - Proprietary Funds

Year Ended June 30, 2009

	<u>Business Type Activities</u>						Governmental Activities- Internal Service Fund
	<u>Electric</u>	<u>Natural Gas</u>	<u>Water</u>	<u>Sewer</u>	<u>Centre Mall</u>	<u>Total</u>	
<b>Cash Flows from Operating Activities</b>							
Received from customers	\$7,494,949	\$15,088,847	\$1,225,417	\$1,005,723	\$472,346	\$25,287,282	\$160,136
Payments to suppliers for goods & services	(6,215,099)	(13,387,405)	(392,501)	(427,996)	(437,861)	(20,860,862)	(95,985)
Payments to employees for services	<u>(492,676)</u>	<u>(354,058)</u>	<u>(347,116)</u>	<u>(382,849)</u>	<u>(198,267)</u>	<u>(1,774,967)</u>	<u>(79,092)</u>
Net cash provided (used) by operating activities	<u>787,174</u>	<u>1,347,384</u>	<u>485,800</u>	<u>194,878</u>	<u>(163,783)</u>	<u>2,651,454</u>	<u>(14,941)</u>
<b>Cash Flows from Noncapital Financing Activities</b>							
Operating subsidies & transfers to other funds	(348,493)	(271,512)	(48,737)	9,416	1,063,225	403,899	
Due from (to) other funds						0	
Advances from (to) other funds	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>—</u>	<u>48,000</u>	<u>(60,000)</u>
Net cash provided (used) by noncapital financing activities	<u>(336,493)</u>	<u>(259,512)</u>	<u>(36,737)</u>	<u>21,416</u>	<u>1,063,225</u>	<u>451,899</u>	<u>(60,000)</u>
<b>Cash Flows from Capital &amp; Related Financing Activities</b>							
Acquisition & construction of capital assets	(49,039)	(158,040)	(486,616)	552,758	(71,673)	(212,611)	
Bond Proceeds (Notes Issued)	(187,036)	(1,057,800)	4,379	2,450	25,000	(1,213,007)	
Principal received (paid) on debt		760,000	(302,316)	(192,124)	(1,230,000)	(964,441)	
Bond Costs			(1,159)	(3,486)	(31,291)	(35,936)	
Equity Distribution		1,241,096				1,241,096	
Investment in joint venture	(34,120)					(34,120)	
Investment in nonoperating properties	<u>(925,625)</u>	<u>(1,617,863)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2,543,488)</u>	
Net cash provided (used) by operating activities	<u>(1,195,820)</u>	<u>(832,607)</u>	<u>(785,712)</u>	<u>359,597</u>	<u>(1,307,964)</u>	<u>(3,762,507)</u>	<u>0</u>
<b>Cash Flows from Investing Activities</b>							
Purchase of investment securities	(1,650,000)	(4,800,000)	(600,000)	(800,000)	(300,000)	(8,150,000)	
Proceeds from sale of investment securities	1,650,000	4,800,000	600,000	800,000	300,000	8,150,000	
Interest & dividends on investments	83,311	137,726	31,327	11,336	23,590	287,290	6,028
Other nonoperating revenues (expenses)	<u>124,194</u>	<u>87,478</u>	<u>(184,923)</u>	<u>(60,551)</u>	<u>(127,602)</u>	<u>(161,404)</u>	<u>—</u>
Net cash provided (used) by operating activities	<u>207,505</u>	<u>225,204</u>	<u>(153,596)</u>	<u>(49,215)</u>	<u>(104,012)</u>	<u>125,886</u>	<u>6,028</u>
<b>Net increase (decrease) in cash &amp; cash equivalents</b>	<u>(537,634)</u>	<u>480,469</u>	<u>(490,245)</u>	<u>526,676</u>	<u>(512,534)</u>	<u>(533,268)</u>	<u>(68,913)</u>
<b>Balances - beginning of year</b>	<u>2,460,132</u>	<u>4,732,006</u>	<u>1,231,535</u>	<u>412,565</u>	<u>623,096</u>	<u>9,459,334</u>	<u>79,142</u>
<b>Balances - end of year</b>	<u>\$1,922,499</u>	<u>\$5,212,475</u>	<u>\$741,290</u>	<u>\$939,241</u>	<u>\$110,562</u>	<u>\$8,926,066</u>	<u>\$10,229</u>

See notes to financial statements

# CITY OF SIOUX CENTER, IOWA

## Statements of Cash Flows - Proprietary Funds

Year ended June 30, 2009

	<u>Business-Type Activities</u>						Governmental Activities- Internal Service Fund
	<u>Electric</u>	<u>Natural Gas</u>	<u>Water</u>	<u>Sewer</u>	<u>Centre Mall</u>	<u>Total</u>	
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>							
Operating income (loss)	\$454,164	\$424,027	\$283,404	(\$68,435)	(\$517,368)	\$575,793	(\$6,028)
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation & amortization expense	525,534	203,885	264,329	281,897	375,349	1,650,995	
(Increase) Decrease in assets							
Receivables, net	(150,489)	1,528,129	(18,168)	(6,618)		1,352,853	
Inventories	(164,237)	16,986	16			(147,235)	
Prepaid expenses	31	687	9,944	2,685	10,465	23,811	
Increase (Decrease) in liabilities:							
Accounts payable	118,201	(828,504)	(61,253)	(16,756)	(32,813)	(821,125)	(4,965)
Accrued expenses	<u>3,969</u>	<u>2,174</u>	<u>7,529</u>	<u>2,106</u>	<u>584</u>	<u>16,361</u>	<u>(3,948)</u>
Total adjustments	<u>333,009</u>	<u>923,357</u>	<u>202,396</u>	<u>263,313</u>	<u>353,584</u>	<u>2,075,660</u>	<u>(8,913)</u>
Net cash provided (used) by operating activities	<u>\$787,174</u>	<u>\$1,347,384</u>	<u>\$485,801</u>	<u>\$194,878</u>	<u>(\$163,783)</u>	<u>\$2,651,453</u>	<u>(\$14,940)</u>
<b>Reconciliation of Cash &amp; Cash Equivalents to the Balance Sheet</b>							
Cash & Pooled Investments	\$1,907,013	\$5,192,789	\$732,995	\$939,241	\$110,562	\$8,882,599	\$10,229
Restricted Cash	<u>15,486</u>	<u>19,686</u>	<u>8,295</u>	<u>—</u>	<u>—</u>	<u>43,467</u>	<u>—</u>
	<u>\$1,922,499</u>	<u>\$5,212,475</u>	<u>\$741,290</u>	<u>\$939,241</u>	<u>\$110,562</u>	<u>\$8,926,066</u>	<u>\$10,229</u>

See notes to financial statements

# CITY OF SIOUX CENTER, IOWA

## Statement of Fiduciary Assets and Liabilities

Agency Funds

June 30, 2009

	Balance <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2009</u>
<u>Payroll Clearing</u>				
Assets:				
Cash and cash equivalents	\$59,811	\$3,021,687	\$3,009,738	\$71,759
Total Assets:	59,811	3,021,687	3,009,738	71,759
Liabilities:				
Accounts payable	59,811	3,021,687	3,009,738	71,759
Total Liabilities:	\$59,811	\$3,021,687	\$3,009,738	\$71,759
<u>Sales Tax</u>				
Assets:				
Taxes receivable	\$26,410	\$351,549	\$351,283	\$26,676
Total Assets:	26,410	351,549	351,283	26,676
Liabilities:				
Accounts payable	26,410	351,549	351,283	26,676
Total Liabilities:	\$26,410	\$351,549	\$351,283	\$26,676
<u>Fiduciary Funds Total</u>				
Assets:				
Cash and cash equivalents	\$59,811	\$3,021,687	\$3,009,738	\$71,759
Taxes receivable	26,410	351,549	351,283	26,676
Total Assets:	86,221	3,373,235	3,361,020	98,435
Liabilities:				
Accounts payable	86,221	3,373,235	3,361,020	98,435
Total Liabilities:	\$86,221	\$3,373,235	\$3,361,020	\$98,435

See notes to financial statements



# CITY OF SIOUX CENTER, IOWA

## Notes to Financial Statements

June 30, 2009

### (1) Summary of Significant Accounting Policies

The City of Sioux Center, Iowa is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the City Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City provides numerous services to citizens including public safety, public works, health and social services, culture and recreation, community and economic development, and general government services. The City also provides electric, natural gas, water and sewer utilities, and a municipal shopping mall for its citizens.

The City's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

#### A. Reporting Entity

For financial reporting purposes, City of Sioux Center, Iowa has included all funds, organizations, agencies, boards and commissions. The City has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City would cause the financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City. The City has no component units which meet the Governmental Accounting Standards Board criteria.

#### B. Basis of Presentation

Government-wide Financial Statements - The statement of net assets and the statement of activities report information on all the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions; these are reported separately from business type activities, which rely to a significant extent on fees and charges for support.

The statement of net assets presents the City's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories.

*Invested in capital assets, net of related debt* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

*Restricted net assets* result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provision or enabling legislation.

*Unrestricted net assets* consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management, but can be removed or modified.

# CITY OF SIOUX CENTER, IOWA

## Notes to Financial Statements

June 30, 2009

Fund Financial Statements - Separate financial statements are provided for governmental funds, proprietary funds, and agency funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other nonmajor governmental funds.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenses, the fixed charges and the capital improvement costs that are not paid from other funds.

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

The Debt Service Fund is utilized to account for the payment of interest and principal on the City's long-term general obligation debt.

The Capital Projects Funds is used to account for all resources used in the acquisition and construction of capital facilities.

Additionally, the City reports the following major proprietary funds:

Electric Utility - The electric utility accounts for the operation of a municipally owned electric system, which distributes electrical power to the residents of the City.

Natural Gas Utility - The natural gas utility accounts for the operation of a municipally owned natural gas system, which distributes natural gas to the residents of the City.

Water Utility - The water utility accounts for the operation of a municipally owned water system, which provides services to the residents of the City.

Sewer Utility - The sewer utility accounts for the operation of a municipally owned sewage collection and treatment facility, which provides services to the residents of the City.

Centre Mall - The Centre Mall fund accounts for the operation of a municipally owned shopping mall which provides retailers with store space pursuant to a lease agreement.

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost-recovery basis.

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds.

# **CITY OF SIOUX CENTER, IOWA**

## **Notes to Financial Statements**

**June 30, 2009**

### **C. Measurement Focus and Basis of Accounting**

The government-wide, proprietary and agency fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the agency have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City's considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The proprietary funds of the City apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's funds are charges to customers for sales and services. Operating expenses include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### **D. Assets, Liabilities and Fund Equity**

The following accounting policies are followed in preparing the combined balance sheet:

**Cash, Pooled Investments and Cash Equivalents** - The cash balances of most City funds are pooled and invested. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. Investments are stated at fair value.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, they have a maturity date no longer than three months.

**Property Tax Receivable** - Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

# CITY OF SIOUX CENTER, IOWA

## Notes to Financial Statements

June 30, 2009

Property tax receivable is recognized in these funds on the lien date. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the City is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and receivable in September and March of the fiscal year with a 1 1/2 % per month penalty for delinquent payments; is based on January 1, 2007 assessed property valuations; is for the tax accrual period July 1, 2008 through June 30, 2009 and reflects the tax asking contained in the budget adopted by the City Council in March 2008.

Interest and Penalty on Property Tax Receivable - Interest and penalty on property tax receivable represents the amount of interest and penalty that was due and payable but has not been collected.

Due from and Due to Other Funds - During the course of its operations, the City has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as of June 30, 2009, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Due from Other Governments - Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories - Inventories are valued at cost using the first-in, first-out method.

Capital Assets - Capital assets, which include land, buildings, improvements, equipment, and vehicles, and infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the government), are reported in the governmental activities column in the governmentwide statement of net assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the City with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

Infrastructure	\$50,000
Land, buildings and improvements	25,000
Equipment and vehicles	5,000

# CITY OF SIOUX CENTER, IOWA

## Notes to Financial Statements

June 30, 2009

Property and equipment of the City is depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful lives (In Years)</u>
Buildings	40-50
Building Improvements	25-50
Infrastructure	30-50
Equipment	3-20
Vehicles	3-10

Deferred Payments - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current property or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds as well as property tax receivables and other receivables not collected within sixty days after year end.

Deferred revenue on the statement of net assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Compensated Absences - City employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the financial statements. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2009. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

Long-term liabilities - In the government-wide financial statements and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net assets. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Fund Equity - In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

### E. Budgets and Budgetary Accounting

In accordance with the Code of Iowa, the City Council annually adopts a budget on the modified accrual basis following required public notice and hearing for all funds, except the Internal Service Fund. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

# CITY OF SIOUX CENTER, IOWA

## Notes to Financial Statements

June 30, 2009

Formal and legal budgetary control is based upon ten major classes of disbursements, known as functions, not by fund or fund type. These functions are public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, business-type activities and non-program.

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2009, disbursements did not exceed the amounts budgeted.

### (2) Cash and Pooled Investments

The City's deposits in banks at June 30, 2009 were entirely covered by federal depository insurance in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts, and warrants or improvement certificates of a drainage district.

The City's investments are categorized to give an indication of the level of risk assumed by the City's at year end. The City's investments are all Category 1, which means that the investments are insured or registered or the securities are held by the City or its agent in the City's name.

The City's investments at June 30, 2009 are as follows:

<u>Type</u>	<u>Fair Value</u>
Perfected Repurchase Agreements	\$11,380,000

### (3) Due From and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2009 is as follows:

<u>Due to Other Fund</u>	<u>Due From Other Fund</u>	<u>Amount</u>
Road Use Tax	Cap project - 4th Ave. NE	\$23,087
Road Use Tax	Cap project - 16th St. NE	320
Road Use Tax	Cap project	(23,407)
General	Agency - Sales Tax	658
General	Agency	(658)
Total		<u>\$0</u>

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

# CITY OF SIOUX CENTER, IOWA

## Notes to Financial Statements

June 30, 2009

### (4) Capital Assets

A summary of changes in capital assets is as follows:

#### Primary Government:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$460,920	\$8,446,737	(\$12,784)	\$8,894,873
Construction in progress	<u>5,446,158</u>	<u>2,526,674</u>	<u>(3,206,558)</u>	<u>4,766,274</u>
Total capital assets not being depreciated	<u>5,907,078</u>	<u>10,973,411</u>	<u>(3,219,342)</u>	<u>13,661,148</u>
Capital assets being depreciated:				
Buildings	11,296,423	2,073,964	(317,810)	13,052,578
Improvements	2,908,916	246,735		3,155,651
Equipment	3,536,397	564,642	(604,727)	3,496,312
Infrastructure	<u>16,288,577</u>	<u>1,389,576</u>		<u>17,678,153</u>
Total capital assets being depreciated	<u>34,030,313</u>	<u>4,274,917</u>	<u>(922,537)</u>	<u>37,382,693</u>
Less accumulated depreciation for:				
Buildings	2,347,385	544,000	(317,810)	2,573,575
Improvements	2,168,239	248,133		2,416,373
Equipment	2,267,839	569,355	(604,727)	2,232,467
Infrastructure	<u>3,716,835</u>	<u>511,707</u>		<u>4,228,543</u>
Total accumulated depreciation	<u>10,500,298</u>	<u>1,873,195</u>	<u>(922,537)</u>	<u>11,450,957</u>
Total capital assets being depreciated, net	<u>23,530,015</u>	<u>2,401,721</u>	<u>0</u>	<u>25,931,736</u>
Governmental activities capital assets, net	<u>\$29,437,093</u>	<u>\$13,375,133</u>	<u>(\$3,219,342)</u>	<u>\$39,592,884</u>

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
<b>Business-Type Activities</b>				
Capital assets not being depreciated:				
Land	\$382,900			\$382,900
Construction in progress	<u>270,170</u>		<u>(\$270,170)</u>	<u>0</u>
Total capital assets not being depreciated	<u>653,069</u>		<u>(270,170)</u>	<u>382,900</u>
Capital assets being depreciated:				
Buildings	8,646,731	\$71,673		8,718,405
Equipment	1,316,252	75,706	(78,919)	1,313,039
Transmission	1,256,983			1,256,983
Infrastructure	<u>37,814,327</u>	<u>92,614</u>	<u>(1,567,482)</u>	<u>36,339,460</u>
Total capital assets being depreciated	<u>49,034,294</u>	<u>239,994</u>	<u>(1,646,401)</u>	<u>47,627,887</u>
Less accumulated depreciation for:				
Buildings	2,814,210	425,122		3,239,331
Equipment	1,001,591	106,013	(78,919)	1,028,685



# CITY OF SIOUX CENTER, IOWA

## Notes to Financial Statements

June 30, 2009

	Balance <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2009</u>
Transmission	1,111,875	10,553		1,122,428
Infrastructure	<u>19,860,122</u>	<u>1,038,796</u>	<u>(1,111,875)</u>	<u>19,787,044</u>
Total accumulated depreciation	<u>24,787,798</u>	<u>1,580,485</u>	<u>(1,190,794)</u>	<u>25,177,489</u>
 Total capital assets being depreciated, net	 <u>24,246,495</u>	 <u>(1,340,491)</u>	 <u>(455,607)</u>	 <u>22,450,398</u>
 Business-type activities capital assets, net	 <u>\$24,899,565</u>	 <u>(\$1,340,491)</u>	 <u>(\$725,777)</u>	 <u>\$22,833,297</u>

### Depreciation expense was charged to functions/programs of the primary government as follows:

#### Governmental Activities:

Public Safety	\$452,678
Public Works	613,979
Culture and Recreation	771,883
General Government	<u>34,656</u>

Total depreciation expense - governmental activities \$1,873,195

#### Business-Type Activities:

Electric	\$455,024
Natural Gas	203,885
Water	264,329
Sewer	281,897
Centre Mall	<u>375,349</u>

Total depreciation expense - business-type activities \$1,580,485

### Reconciliation of Investment in Capital Assets:

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>
Land	\$8,894,873	\$ 382,900
Construction in Progress	4,766,274	0
Capital Assets (net of accumulated depreciation)	25,931,736	22,450,398
Less: General Obligation Bonds Payable	(10,449,078)	(3,430,922)
Revenue Bonds Payable	<u>                    </u>	<u>(4,842,000)</u>
 Investment in Capital Assets, Net of Related Debt	 <u>\$29,143,806</u>	 <u>\$14,560,375</u>

# CITY OF SIOUX CENTER, IOWA

## Notes to Financial Statements

June 30, 2009

### (5) Investment in Joint Venture

The City is a participant in the Missouri Basin Municipal Electric Cooperative Association, a joint venture for the construction and maintenance of power lines from the power source to the Northwest Iowa Power Cooperative. The construction of the lines is accomplished by NIPCO and there are no actual dedicated lines, but rather an agreement which guarantees the municipalities the right to draw power over the lines at a raw power cost without transmission charges. The City owns a 26.24 percent share of the venture with twelve other cities sharing in their ownership at varying percentages. The City's investment in the joint venture is accounted for by the equity method in the Electric Fund. Separately issued audited financial statements of the Associated are available from Missouri Basin Municipal Electric Cooperative Association.

### (6) Changes in Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2009 is as follows:

	General Obligation	Revenue	Total
Bonds Payable - July 1, 2008	\$9,830,000	\$5,829,000	\$15,659,000
Bonds Issued	9,115,000	0	9,115,000
Bonds Retired	(5,065,000)	(987,000)	(6,052,000)
Bonds Payable - June 30, 2009	<u>\$13,880,000</u>	<u>\$4,842,000</u>	<u>\$18,722,000</u>

Details of above general obligations and revenue bonds payable at June 30, 2009 are as follows:

#### Governmental Activities:

	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Amount Originally Issued	Outstanding June 30, 2009
General Obligation	2009	4.35	2019	\$420,000-\$615,000	\$5,100,000	\$5,100,000
General Obligation	2009	1.60-3.90	2019	100,000-300,000	1,585,000	1,585,000
General Obligation	2008	2.30-3.85	2018	121,893-162,524	1,395,000	1,273,107
General Obligation	2007	3.70-4.00	2022	49,771-241,200	2,412,000	2,300,971
General Obligation	2003	1.50-3.25	2011	85,000-95,000	625,000	190,000
					<u>\$11,117,000</u>	<u>\$10,449,078</u>

#### Business-type Activities:

	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Amount Originally Issued	Outstanding June 30, 2009
General Obligation Centre Mall	2009	1.60-3.90	2019	\$140,000-\$345,000	\$2,145,000	\$2,145,000
General Obligation Sewer	2009	1.60-3.90	2019	65,000-65,000	195,000	195,000
General Obligation Water	2009	1.60-3.90	2019	30,000-30,000	90,000	90,000
General Obligation Sewer	2008	2.30-3.85	2018	13,107-17,476	150,000	136,893
General Obligation Water	2007	3.70-4.00	2022	8,914-43,200	432,000	412,114
General Obligation Sewer	2007	3.70-4.00	2022	6,314-30,600	306,000	291,914
Revenue Water	2007	3.80-4.20	2019	120,000-175,000	870,000	750,000
Revenue Water	2005	3.75-4.30	2024	130,000-270,000	3,565,000	3,015,000
General Obligation Centre Mall	2003	1.20-3.00	2010	140,000-160,000	1,050,000	160,000
Revenue Sewer	1994	3.00-4.54	2017	33,000-76,000	1,024,000	520,000
Revenue Sewer	1993	3.00-3.74	2017	39,000-79,000	<u>1,140,000</u>	<u>557,000</u>
					<u>\$10,967,000</u>	<u>\$8,272,922</u>

# CITY OF SIOUX CENTER, IOWA

## Notes to Financial Statements

June 30, 2009

The annual requirements to amortize all debt outstanding as of June 30, 2009 are as follows:

### Governmental Activities:

Year Ending June 30, 2009	General Obligation Principal	Interest on General Obligation	Total
2010	\$1,006,493	\$405,200	\$1,411,693
2011	1,026,008	330,886	1,356,894
2012	1,056,722	332,541	1,389,263
2013	868,894	295,855	1,164,749
2014	902,237	262,264	1,164,501
Thereafter	<u>5,588,724</u>	<u>798,788</u>	<u>6,387,512</u>
	<u>\$10,449,078</u>	<u>\$2,425,534</u>	<u>\$12,874,612</u>

### Business-type Activities:

Year Ending June 30, 2009	General Obligation Principal	Interest on General Obligation	Revenue Bonds Principal	Interest on Revenue Bonds	Total
2010	\$633,507	\$149,923	\$266,000	\$184,716	\$1,234,146
2011	433,992	123,608	406,000	173,001	1,136,601
2012	408,278	110,521	287,000	160,830	966,629
2013	336,106	96,543	431,000	148,220	1,011,869
2014	347,763	82,875	312,000	135,096	877,734
Thereafter	<u>1,271,276</u>	<u>210,158</u>	<u>3,140,000</u>	<u>621,073</u>	<u>5,242,507</u>
	<u>\$3,430,922</u>	<u>\$773,628</u>	<u>\$4,842,000</u>	<u>\$1,422,936</u>	<u>\$10,469,486</u>

## (7) Pension and Retirement Benefits

The City contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by the state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 3.70 % of their annual covered salary and the City is required to contribute 5.75 % of annual covered payroll, except for law enforcement employees, in which case the percentages are 5.93 % and 8.90 % respectively. Contribution requirements are established by state statute. The City's contribution to IPERS for the years ended June 30, 2009, 2008, and 2007 were \$314,197, \$289,148 and \$271,742, respectively, equal to the required contributions for each year.

## (8) Major Customers

During the year ended June 30, 2009, charges for services provided by the natural gas utility of the City to Siouxland Energy was \$8,758,407 or 64.65 % of total natural gas revenues. Total charges to Sioux Preme Egg for sewer services for the year was \$138,387 or 14.12 % of total sewer revenues. Total charges to Sioux Pharm for sewer services for the year was \$126,812 or 12.94 % of total sewer revenues. Total charges to Golden Crisp for electric services for the year was \$1,364,546 or 18.08 % of total electric revenues.

See notes to financial statements

# CITY OF SIOUX CENTER, IOWA

Notes to Financial Statements

June 30, 2009

## (9) Risk Management

The City is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The City assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

## (10) Related Party Transactions

The City had business transactions between the City and City officials, totaling \$77,525 in goods and \$1,357,816 in interest expense and bank fees during the year ended June 30, 2009.

## (11) Deficit Fund Balance

Five Capital Projects Funds had deficit balances of \$40,651 at June 30, 2009. The deficit balance was a result of project costs incurred prior to availability of funds. The deficit will be eliminated upon receipt of state grant monies, and property assessments.

## (12) Other Post Employment Benefits

Plan Description: The City provides health care coverage to all eligible employees and their dependents.

Premium cost is shared by the City and the employee. The City does allow retirees under the age of 65 to stay on the City's group health care plan, however the retirees must pay 100 % of the premium cost. Upon reaching eligibility for Medicare, retirees are required to leave the City's group plan. Since the City offers retirees under the age of 65 the option of staying on the City's group plan, the City is implicitly subsidizing the retiree's premium cost through the group. Under the parameters of GASB 45, the City must record this implicit liability as an other post employment benefit.

Actuarial Method: The City's other post employment benefit liability is actuarially determined using the alternative measurement method. This calculation makes several assumptions about the probability of the occurrence of events far into the future. Examples include assumptions about the healthcare cost trend and the number of retirees who will take advantage of this benefit.

Calculation Assumptions: In this fiscal year's valuation, actuarial assumptions included a 4.5 % discount rate and an annual healthcare cost trend rate of 9 % initially, decreasing .3 % per year until reaching an ultimate rate of 4 %. Health care costs for privately purchased personal premiums were assumed to net 5 % higher than projected premiums under the City's group health insurance plan. Usage of the benefit was assumed to be 5 % of the total possible liability. It is important to note that if the City used the actual historical usage of this benefit to calculate OPEB, the liability for the City would be 0 %.

The following schedule shows the annual OPEB cost for the year, the amount actually contributed and the net OPEB obligation.

Annual required contribution:	\$12,110
Contributions made:	<u>12,110</u>
Net OPEB Obligation June 30, 2009:	0
Percent of OPEB cost contributed:	100 %

### **Required Supplementary Information**

**CITY OF SIOUX CENTER, IOWA**  
Required Supplementary Information  
Notes to Required Supplementary Information - Budgetary Reporting  
June 30, 2009

In accordance with the Code of Iowa, the City Council annually adopts a budget on the modified accrued basis following required public notice and hearing for all funds, except internal service, nonexpendable trust, and agency funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon ten major classes of disbursements known as functions, not by fund or fund type. These ten functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, business-type and non-program. Function disbursements required to be budgeted include disbursements for the general fund, special revenue fund, debt service fund, capital projects funds and permanent funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not at the fund or fund type level. During the year, budget amendment increased budgeted disbursements by \$9,751,999. The budget amendment is reflected in the final budgeted amounts.

During the year ended June 30, 2009, disbursements did not exceed the amounts budgeted.

# CITY OF SIOUX CENTER, IOWA

## Required Supplementary Information

### Budgetary Comparison Schedule

#### of Receipts, Disbursements, and Changes in Balances -

#### Budget and Actual (Cash Basis) - All Governmental Funds and Proprietary funds

Year ended June 30, 2009

	Governmental Fund Types	Proprietary Fund Type	Less Funds not Required to be budgeted	Net	Budgeted Amounts		Final to Actual Variance Positive (Negative)
	<u>Actual</u>	<u>Actual</u>			<u>Original</u>	<u>Final</u>	
Receipts:							
Property Tax	\$2,298,169			\$2,298,169	\$2,285,569	\$2,306,304	(\$8,135)
Tax increment financing collections	1,570,680			1,570,680	1,473,223	1,473,223	97,457
Other city tax	647,398			647,398	598,100	580,000	67,398
License and permits	130,642			130,642	116,500	118,927	11,715
Use of money and property	648,677	\$504,990	\$6,028	1,147,639	821,519	1,207,529	(59,890)
Intergovernmental	1,102,662			1,102,662	1,389,431	1,033,554	69,108
Charges for services	1,176,853	23,984,544	160,136	25,001,261	28,084,226	28,309,472	(3,308,211)
Special assessments	161,500			161,500	721,878	472,995	(311,495)
Miscellaneous	<u>1,055,171</u>	<u>1,322,532</u>		<u>2,377,703</u>	<u>1,427,609</u>	<u>1,602,735</u>	<u>774,968</u>
Total Receipts	8,791,752	25,812,066	166,164	34,437,654	36,918,055	37,104,740	(2,667,086)
Disbursements:							
Public Safety	814,558			814,558	800,792	846,693	32,135
Public Works	896,056			896,056	1,130,403	1,275,240	379,184
Culture and recreation	2,894,998			2,894,998	2,785,826	3,170,708	275,710
Community and economic development	132,971			132,971	248,972	256,808	123,837
General government	675,103			675,103	781,846	832,762	157,659
Debt service	2,459,808			2,459,808	740,995	740,995	(1,718,813)
Capital projects	10,861,506			10,861,506	2,660,000	11,505,692	644,186
Business-type		<u>23,869,290</u>	<u>166,164</u>	<u>23,703,126</u>	<u>26,590,829</u>	<u>26,862,764</u>	<u>3,159,638</u>
Total Disbursements:	18,735,000	23,869,290	166,164	42,438,126	35,739,663	45,491,662	3,053,536
Excess of receipts over disbursements	(9,943,248)	1,942,776	0	(8,000,472)	1,178,392	(8,386,923)	386,451
Other financing sources, net	<u>9,594,101</u>	<u>403,899</u>	<u>0</u>	<u>9,998,000</u>	<u>1,675,000</u>	<u>10,323,000</u>	<u>(325,000)</u>
Excess of receipts and other financing sources over disbursements and other financing uses	<u>(\$349,147)</u>	<u>\$2,346,675</u>	<u>\$0</u>	<u>\$1,997,528</u>	<u>\$2,853,392</u>	<u>\$1,936,077</u>	<u>\$61,451</u>



## **Other Supplementary Information**

# CITY OF SIOUX CENTER, IOWA

## Nonmajor Special Revenue Funds

### Combining Balance Sheet

June 30, 2009

<u>Assets</u>	Local Option <u>Sales Tax</u>	Road Use <u>Tax</u>	TIF/ <u>SSMID</u>	Trust & <u>Agency</u>	<u>Totals</u>
Cash and Cash Equivalents	\$362,680	\$1,188,375	\$56,519	\$139,119	\$1,746,694
Due from Other Governments		0	0	0	0
Due from Other Funds	_____	<u>23,407</u>	_____	_____	<u>23,407</u>
 Total Assets	 <u>362,680</u>	 <u>1,211,782</u>	 <u>56,519</u>	 <u>139,119</u>	 <u>1,770,100</u>
 <u>Liabilities</u>					
Accounts Payable		11,954			11,954
Deferred Revenue	_____	_____	_____	_____	_____
 Total Liabilities		 11,954			 <u>11,954</u>
 <u>Fund Balance</u>					
Unreserved-Undesignated	<u>362,680</u>	<u>1,199,828</u>	<u>56,519</u>	<u>139,119</u>	<u>1,758,146</u>
 Total Liabilities	 <u>\$362,680</u>	 <u>\$1,211,782</u>	 <u>\$56,519</u>	 <u>\$139,119</u>	 <u>\$1,770,100</u>

# CITY OF SIOUX CENTER, IOWA

## Nonmajor Special Revenue Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances For the Year Ended June 30, 2009

<u>Assets</u>	Local Option <u>Sales Tax</u>	Road Use <u>Tax</u>	TIF/ <u>SSMID</u>	Trust & <u>Agency</u>	<u>Totals</u>
Revenue:					
Property Taxes				\$719,102	\$719,102
TIF Revenue			\$1,570,680		1,570,680
Other City Taxes	\$647,398				647,398
Intergovernmental		\$481,551			481,551
Use of Money and Property	<u>6,674</u>	<u>      </u>	<u>1,230</u>	<u>3,827</u>	<u>11,731</u>
Total Revenues	<u>654,072</u>	<u>481,551</u>	<u>1,571,910</u>	<u>722,929</u>	<u>3,430,463</u>
Expenditures:					
Current Operating:					
Public Works		113,359			113,359
Public Safety					
Community and Economic Development	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Total Expenditures	<u>      </u>	<u>113,359</u>	<u>      </u>	<u>      </u>	<u>113,359</u>
Excess (Deficiency) of Revenues Over Expenditures	654,072	368,192	1,571,910	722,929	3,317,104
Other Financing (Uses)					
Operating Transfers to Other Funds	(460,000)	(175,902)	(1,546,186)	(720,000)	(2,902,088)
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	<u>194,072</u>	<u>192,290</u>	<u>25,724</u>	<u>2,929</u>	<u>415,015</u>
Fund Balances at Beginning of Year	<u>168,608</u>	<u>1,007,539</u>	<u>30,795</u>	<u>136,189</u>	<u>1,343,131</u>
Fund Balances at End of Year	<u>\$362,680</u>	<u>\$1,199,828</u>	<u>\$56,519</u>	<u>\$139,118</u>	<u>\$1,758,146</u>

CITY OF SIOUX CENTER, IOWA

Nonmajor Capital Projects Funds  
Combining Balance Sheet  
June 30, 2009

	St. Andrew's Way	16th St. NE	7th St. NW	EMT Building	Bio-Tech Park	Hwy. 75 Widening	New Airport Project	Library Fire	Stimulus Project Streets	Total
<u>ASSETS</u>										
Cash and Cash Equivalents	\$13,127			\$16,046			\$41,477	\$105,899		\$176,549
Accrued Interest										
Total Assets	<u>13,127</u>	<u></u>	<u></u>	<u>16,046</u>	<u></u>	<u></u>	<u>41,477</u>	<u>105,899</u>		<u>176,549</u>
<u>LIABILITIES AND FUND BALANCE</u>										
<u>Liabilities</u>										
Accounts Payable	9,674		669	672	4,671	10,996		40,183	\$909	67,774
Due to Other Funds	<u></u>	<u>320</u>	<u></u>	<u></u>	<u>23,087</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u>23,407</u>
Total Liabilities	9,674	320	669	672	27,757	10,996		40,183	909	91,180
Fund Balance (Deficit)										
Unreserved - Undesignated	<u>3,453</u>	<u>(320)</u>	<u>(669)</u>	<u>15,374</u>	<u>(27,757)</u>	<u>10,996</u>	<u>41,477</u>	<u>65,716</u>	<u>(909)</u>	<u>85,369</u>
Total Liabilities and Fund Balance	<u>\$13,127</u>	<u></u>	<u></u>	<u>\$16,046</u>	<u>\$0</u>	<u>\$0</u>	<u>\$41,477</u>	<u>\$105,899</u>	<u>\$0</u>	<u>\$176,549</u>

CITY OF SIOUX CENTER, IOWA

Nonmajor Capital Projects Funds  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
For the Year Ended June 30, 2009

	St. Andrew's Way	16th St NE	7th St NW	EMT Building	Bio-Tech Park	Hwy. 75 Widening	New Airport Project	Library Fire	Stimulus Project Streets	East 1st St.	Trail Extension	75 South Third Lane	ASC Addition	South Ridge	Convention Center	Total
Revenues:																
Special Assessments										\$153,505						\$153,505
Intergovernmental								\$123,340			\$173,870	\$251,286	\$401,970			548,497
Charges for Services																401,960
Miscellaneous								<u>209,208</u>			<u>58,071</u>					<u>267,279</u>
Total Revenues								332,548		153,505	231,942	251,286	401,970			1,371,250
Expenditures																
Capital Projects	\$81,424	\$320	\$45,843	\$11,654	\$27,758	(\$16,946)	\$59,454	977,227	\$10,004	47,092	313,873	383,984	433,191	\$8,446,737	\$6,000	10,861,506
Total Expenditures	<u>81,424</u>	<u>320</u>	<u>45,843</u>	<u>11,654</u>	<u>27,758</u>	<u>(16,946)</u>	<u>59,454</u>	<u>977,227</u>	<u>10,004</u>	<u>47,092</u>	<u>313,873</u>	<u>383,984</u>	<u>433,191</u>	<u>8,446,737</u>	<u>6,000</u>	<u>10,861,506</u>
Express (Deficiency) of Revenues Over Expenditures	(81,424)	(320)	(45,843)	(\$11,654)	(27,758)	(16,946)		(644,679)	(10,004)	106,413	(81,931)	(132,698)	(31,221)	(8,446,737)	(6,000)	(9,490,255)
Bond Sales							59,454							8,413,000		8,413,000
Transfers	84,878		59,958	27,028		6,850			9,095	90,194	62,727	(84,877)	(27,028)	33,737	6,000	111,906
Fund (Deficit) at Beginning of Year			<u>(14,784)</u>			<u>(900)</u>	<u>100,931</u>	<u>710,396</u>		<u>(196,607)</u>	<u>19,204</u>	<u>217,575</u>	<u>58,249</u>	<u>0</u>		<u>894,064</u>
Fund (Deficit) at End of Year		<u>(\$320)</u>	<u>(\$669)</u>	<u>\$15,374</u>	<u>(\$27,758)</u>	<u>(\$10,996)</u>	<u>\$41,477</u>	<u>\$65,716</u>	<u>(\$909)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$85,369</u>

# CITY OF SIOUX CENTER, IOWA

## Schedule of Receipts By Source and Disbursements By Function All Government Fund Types June 30, 2009

For the Last Four Years

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Receipts:				
Property Tax	\$2,298,169	\$2,078,370	\$1,855,675	\$2,209,637
Tax increment financing collections	1,570,680	1,230,337	1,180,181	964,944
Other city taxes	647,398	579,357	680,442	121,558
License and permits	130,642	88,490	127,662	99,355
Use of money and property	648,677	421,621	297,606	274,990
Intergovernmental	1,102,662	810,054	981,638	631,724
Charges for services	1,176,853	1,449,527	968,434	930,449
Special assessments	161,500	16,638	76,711	98,425
Miscellaneous	<u>1,055,171</u>	<u>1,513,042</u>	<u>587,430</u>	<u>447,399</u>
Total	<u>8,791,752</u>	<u>8,187,436</u>	<u>6,755,779</u>	<u>5,778,481</u>
Disbursements:				
Public Safety	814,558	750,423	730,316	776,606
Public Works	896,056	892,144	803,434	659,692
Culture and recreation	2,894,998	2,235,045	2,106,035	2,118,324
Community and economic development	132,971	230,464	150,468	118,726
General government	675,103	594,657	599,959	614,226
Debt service	2,459,808	587,127	491,741	522,879
Capital projects	<u>10,861,506</u>	<u>5,057,283</u>	<u>1,831,620</u>	<u>1,133,134</u>
Total	<u>\$18,735,000</u>	<u>\$10,347,143</u>	<u>\$6,713,573</u>	<u>\$5,943,587</u>

Independent Auditor's Report on Internal Control  
over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in accordance with  
Government Auditing Standards

To the Honorable Mayor and  
Members of the City Council:

We have audited the accompanying financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of City of Sioux Center, Iowa, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements listed in the table of contents, and have issued our report thereon dated October 2, 2009. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Sioux Center's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of City of Sioux Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of City of Sioux Center's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies, including a deficiency we consider to be a material weakness.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects City of Sioux Center's ability to initiate, authorize, record, process, or report financial data a reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of or detected by City of Sioux Center's internal control. We found no significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by City of Sioux Center's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are



also considered to be material weaknesses.

#### Compliance and Other Matters

As part obtaining reasonable assurance about whether City of Sioux Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2009 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the city. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of these statutes.

City of Sioux Center's responses to findings identified in our audit are described in our accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the city's responses, we did not audit City of Sioux Center's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of City of Sioux Center and other parties to whom City of Sioux Center may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of City of Sioux Center during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Sioux Center, Iowa  
October 2, 2009

# CITY OF SIOUX CENTER, IOWA

## Schedule of Findings and Questioned Costs

Year ended June 30, 2009

### Part I: Summary of the Independent Auditor's Results

- a) An unqualified opinion was issued on the financial statements.
- b) No reportable conditions in internal control over financial reporting were found during the audit of the financial statements.
- c) The audit did not disclose any noncompliance which is material to the financial statements.
- d) No reportable conditions in internal control over major programs were found during the audit of the financial statements.
- e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- f) The audit found no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a)
- g) Major programs were as follows: NONE
- h) The dollar threshold used to distinguish between Type A and Type B programs was \$500,000.
- i) City of Sioux Center, Iowa did not qualify as a low-risk auditee.

### Part II: Findings Related to the General Purpose Financial Statements:

REPORTABLE CONDITIONS: NONE

### Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NONCOMPLIANCE: NONE

REPORTABLE CONDITIONS: NONE

### Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-08 Certified Budget - Disbursements during the year ended June 30, 2009 did not exceed the amount budgeted in any category. Chapter 384.20 of the Code of Iowa states, in part, "Public monies may not be expended or encumbered except under an annual or continuing appropriation."
- IV-B-08 Questionable Expenditures - No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-C-08 Travel Expense - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

See notes to financial statements

# CITY OF SIOUX CENTER, IOWA

## Schedule of Findings and Questioned Costs

Year ended June 30, 2009

IV-D-08 Business Transactions - Business transactions between the City and the City officials or employees detailed as follows:

Name, Title, and <u>Business Connection</u>	Transaction <u>Description</u>	<u>Amount</u>
Dennis Walstra, Mayor Walstra Plumbing and Heating	Supplies	\$72,391
Randy Vreugdenhil, Council Member Hills Electronics	Equipment and Supplies	\$5,134
W. Dale Den Herder, Council Member American State Bank	Bond Interest/Bank Fees	\$1,357,816

In accordance with Chapter 362.5(2), the transaction with the bank does not appear to be a conflict of interest because American State Bank has been designated as a depository, paying agent, or for investment of funds. The transaction with Walstra Plumbing & Heating and Hills Electronics do not appear to represent a conflict of interest because competitive bidding was not required for amounts under \$25,000, in accordance with Iowa Code.

IV-E-08 Bond Coverages - Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.

IV-F-08 Council Minutes - No transactions were found that we believe should have been approved in the Council minutes but were not.

IV-G-08 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City investment policy were noted.

IV-H-08 Revenue Bonds - The City has complied with the provisions of the revenue bond indentures which state that the bonds and interest are payable solely and only from the net earnings of the activities.

IV-I-08 Publication of Salaries - It was noted that salaries were not published.

Recommendation - Insure that annual salaries are published.

Response - Comment noted.

Conclusion - Response noted, auditor reiterated the State requirement should be followed.

## Statistical Section

This part of the City of Sioux Center's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

<b><u>Contents</u></b>	<b><u>Schedule</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	1-4
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.	5-8
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	9-14
<b>Demographic and Economic Information</b> This schedule offers demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time with other governments.	15
<b>Operating Information</b> These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.	16-18

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

**Schedule 1**  
**City of Sioux Center**  
**Net Assets by Component,**  
**Last Seven Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year						
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities							
Invested in capital assets, net of related debt	\$17,570,408	\$19,775,429	\$20,036,209	\$20,451,964	\$20,174,350	\$23,593,626	\$29,143,806
Restricted	\$657,201	\$477,357	\$556,106	\$559,815	\$537,407	\$754,599	\$1,411,693
Unrestricted	\$2,486,983	\$3,393,796	\$4,043,856	\$3,094,441	\$5,728,799	\$4,377,746	\$3,480,688
Total governmental activities net assets	<u>\$20,714,592</u>	<u>\$23,646,582</u>	<u>\$24,636,171</u>	<u>\$24,106,220</u>	<u>\$26,440,556</u>	<u>\$28,725,971</u>	<u>\$34,036,187</u>
Business-type activities							
Invested in capital assets, net of related debt	\$12,153,801	\$11,087,401	\$11,806,447	\$9,500,725	\$12,079,937	\$15,556,676	\$15,805,673
Restricted	\$540,190	\$531,195	\$723,892	\$755,567	\$1,076,145	\$1,190,936	\$1,234,146
Unrestricted	\$9,060,076	\$10,484,459	\$10,891,326	\$17,759,176	\$19,899,659	\$17,510,142	\$19,854,323
Total business-type activities net assets	<u>\$21,754,067</u>	<u>\$22,103,055</u>	<u>\$23,421,665</u>	<u>\$28,015,468</u>	<u>\$33,055,741</u>	<u>\$34,257,754</u>	<u>\$36,894,142</u>
Primary government							
Invested in capital assets, net of related debt	\$29,724,209	\$30,862,830	\$31,842,656	\$29,952,689	\$32,254,287	\$39,150,302	\$44,949,479
Restricted	1,197,391	1,008,552	1,279,998	1,315,382	1,613,552	1,945,535	2,645,839
Unrestricted	11,547,059	13,878,255	14,935,182	20,853,617	25,628,458	21,887,888	23,335,011
Total primary government net assets	<u>\$42,468,659</u>	<u>\$45,749,637</u>	<u>\$48,057,836</u>	<u>\$52,121,688</u>	<u>\$59,496,297</u>	<u>\$62,983,725</u>	<u>\$70,930,329</u>

Note: The city began to report accrual information when it implemented GASB Statement 34 in FY 2003

**Schedule 2**  
**City of Sioux Center**  
**Changes in Net assets,**  
**Last Seven Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year						
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Expenses</b>							
Governmental activities:							
Public Safety	\$657,320	\$697,459	\$743,556	\$817,289	\$741,391	\$812,532	\$996,337
Public Works	925,622	957,142	942,212	1,041,100	1,110,196	1,473,643	1,357,890
Culture and Recreation	1,218,559	2,081,506	2,231,734	2,579,546	2,519,821	2,400,998	3,135,324
Community and Economic Development	175,604	173,930	114,083	148,772	150,322	231,692	133,247
General Government	468,334	500,723	627,660	674,592	614,518	592,506	626,507
Capital Projects			88,986	1,133,134	1,532,401		
Debt Service	230,642	210,963	191,846	152,184	144,171	238,421	307,498
Total governmental activities expenses	3,676,081	4,621,723	4,940,077	6,546,617	6,812,820	5,749,792	6,556,803
Business-type activities:							
Centre Mall	799,787	779,335	751,409	896,463	901,224	1,189,137	1,117,315
Water	855,045	862,799	929,888	913,444	958,977	1,098,883	1,147,543
Sewer	1,030,986	1,092,388	978,266	970,703	981,750	1,017,284	1,141,327
Electric	3,898,968	4,493,596	4,737,622	5,386,473	5,750,535	6,392,707	7,155,946
Natural Gas	5,694,341	6,526,642	8,009,601	10,397,592	9,470,983	13,485,073	13,140,995
Total business-type activities expenses	12,279,127	13,754,760	15,406,786	18,564,675	18,063,469	23,183,084	23,703,126
Total primary government expenses	\$15,955,208	\$18,376,483	\$20,346,863	\$25,111,292	\$24,876,289	\$28,932,876	\$30,259,929
<b>Program Revenues</b>							
Governmental activities:							
Charges for services:							
Public Safety	27,484	40,260	37,614	39,884	54,484	53,339	50,228
Public Works	347,866	264,375	229,180	309,319	223,861	451,014	490,109
Culture and Recreation	202,162	663,424	957,686	897,259	787,863	932,494	917,498
Community and Economic Development	53,374	46,506	56,294	83,885	97,422	67,366	96,457
General Government	41,479	42,970	57,026	40,907	32,890	15,216	36,589
Capital Projects							
Operating grants and contributions	692,135	577,002	538,893	518,312	529,391	542,128	481,551
Capital grants and contributions	7,260,194	1,893,626	158,503	116,575	394,131	387,295	401,970
Total governmental activities program revenues	8,624,694	3,528,163	2,035,196	2,006,141	2,120,042	2,448,852	2,474,402
Business-type activities:							
Charges for services:							
Centre Mall	299,723	398,036	417,432	379,069	392,026	469,590	472,346
Water	945,488	1,013,677	1,037,550	1,044,556	1,102,593	1,105,854	1,246,025
Sewer	683,919	747,228	914,104	1,021,816	863,499	999,517	1,012,341
Electric	4,295,759	4,936,376	5,227,088	5,757,876	6,074,370	6,984,873	7,610,111
Natural Gas	5,732,196	6,880,803	8,547,536	10,688,579	9,611,852	13,843,901	13,565,023
Total business-type activities program revenues	11,957,085	13,976,120	16,143,710	18,891,896	18,044,340	23,403,735	23,905,846
Total primary government program revenues	\$20,581,779	\$17,504,283	\$18,178,906	\$20,898,037	\$20,164,382	\$25,852,587	\$26,380,248
<b>Net (expense)/revenue</b>							
Governmental activities	\$4,948,613	(\$1,093,560)	(\$2,904,881)	(\$4,540,476)	(\$4,692,778)	(\$3,300,940)	(\$4,082,401)
Business-type activities	(322,042)	221,360	736,924	327,221	(19,129)	220,651	202,720
Total primary government net expense	\$4,626,571	(\$872,200)	(\$2,167,957)	(\$4,213,255)	(\$4,711,907)	(\$3,080,289)	(\$3,879,681)

**Schedule 2**  
**City of Sioux Center**  
**Changes in Net assets,**  
**Last Seven Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
<b>General Revenues and Other Changes in Net Assets</b>							
Governmental activities							
Property taxes	\$2,218,514	\$2,577,737	\$2,709,532	\$2,795,346	\$3,163,518	\$3,325,694	\$3,868,849
Local option sales tax	409,204	442,959	428,672	520,697	552,779	562,369	647,398
Unrestricted investment earnings	141,845	50,096	69,953	38,757	189,599	222,533	128,520
Miscellaneous	(58,934)	975,185	1,087,859	372,329	729,840	1,799,569	5,151,748
Transfers	(398,014)	(20,427)	(312,932)	(327,022)	(211,105)	(250,734)	(403,899)
Total governmental activities	2,312,615	4,025,550	3,983,084	3,400,107	4,424,631	5,659,431	9,392,616
Business-type activities							
Unrestricted investment earnings	97,545	101,172	154,527	471,081	500,290	627,900	498,962
Miscellaneous	139,400	(23,270)	93,118	3,462,606	3,987,178	102,726	1,241,096
Transfers	398,014	20,427	312,932	327,022	211,105	250,734	403,899
Total business-type activities	634,959	98,329	560,577	4,260,709	4,698,573	981,360	2,143,957
Total primary government	\$2,947,574	\$4,123,879	\$4,543,661	\$7,660,816	\$9,123,204	\$6,640,791	\$11,536,573
<b>Change in Net Assets</b>							
Governmental activities	7,261,228	2,931,990	1,078,203	(1,140,369)	(268,147)	2,358,491	5,310,215
Business-type activities	312,917	319,689	1,297,501	4,587,930	4,679,444	1,202,011	2,346,677
Total primary government	\$7,574,145	\$3,251,679	\$2,375,704	\$3,447,561	\$4,411,297	\$3,560,502	\$7,656,892

Note: The city began to report accrual information when it implemented GASB Statement 34 in FY 2003

**Schedule 3**  
**City of Sioux Center**  
**Fund Balances, Governmental Funds**  
**Last Seven Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
<b>General Fund</b>							
Reserved	\$81,465	\$81,465	\$81,465	\$81,466	\$12,000	\$12,000	\$0
Unreserved	1,575,033	1,474,533	1,634,908	1,637,982	2,503,644	2,808,809	2,901,658
Total general fund	\$1,656,498	\$1,555,998	\$1,716,373	\$1,719,448	\$2,515,644	\$2,820,809	\$2,901,658
<b>All other governmental funds</b>							
Reserved	\$622,880	\$7,637	\$9,463	\$3,275	\$27,515	\$42,911	\$0
Unreserved, reported in:							
Special revenue funds	1,282,735	1,513,502	1,573,686	1,403,070	1,132,559	1,343,131	1,758,146
Debt service funds							6,596
Capital project funds	(716,813)	289,212	931,743	589,577	2,440,638	894,064	85,369
Total all other governmental funds	\$1,188,802	\$1,810,351	\$2,514,892	\$1,995,922	\$3,600,712	\$2,280,106	\$1,850,111

Note: The city began to report accrual information when it implemented GASB Statement 34 in FY 2003



**Schedule 4**  
**City of Sioux Center**  
**Changes in Fund Balances, Governmental Funds**  
**Last Seven Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Revenues							
Property taxes	\$1,475,319	\$1,541,583	\$1,621,948	\$1,694,967	\$1,855,675	\$2,078,370	\$2,298,169
Tax increment financing	731,104	1,031,418	1,074,393	964,944	1,180,181	1,230,337	1,570,680
Other city taxes	421,293	447,695	441,863	636,228	680,442	579,357	647,398
Special assessments	152,031	86,469	25,889	98,425	76,711	16,638	130,642
Licenses and permits	83,925	76,817	85,507	99,355	127,662	88,490	659,653
Intergovernmental	4,548,531	1,744,167	704,756	631,724	981,638	810,054	1,091,687
Charges for services	307,936	631,281	994,074	930,449	968,434	1,449,527	1,176,853
Miscellaneous	3,741,885	1,655,539	1,206,157	447,399	587,430	1,513,042	161,500
Use of property and money	147,703	129,093	176,623	274,990	297,606	421,621	1,055,171
Total Revenues	11,609,727	7,344,062	6,331,210	5,778,481	6,755,779	8,187,436	8,791,753
Expenditures							
Public safety	612,478	636,876	725,681	776,606	730,316	750,423	814,558
Public works	837,560	625,173	585,562	659,692	803,434	892,144	896,056
Culture and recreation	1,060,886	1,845,690	1,912,130	2,098,074	2,106,035	2,235,045	2,894,998
Community and economic development	174,244	172,788	111,704	138,977	150,468	230,464	132,971
General government	452,608	483,381	644,968	614,226	599,959	594,657	675,103
Capital projects	8,992,000	2,169,779	666,257	1,133,134	1,831,620	5,057,283	10,861,506
Debt service							
Interest	229,896	214,564	161,447	145,306	124,308	210,272	378,245
Principal	198,495	884,877	329,981	377,570	367,433	376,855	2,081,563
Total Expenditures	12,558,167	7,033,128	5,137,730	5,943,585	6,713,573	10,347,143	18,735,000
Excess of revenues over (under) expenditures							
Other financing sources (uses)							
Bonds issued	875,000				2,412,000	1,395,000	9,998,000
Transfers in	1,269,863	2,538,360	2,726,432	3,157,238	3,721,260	3,354,776	3,751,412
Transfers out	(1,667,877)	(2,558,787)	(3,039,364)	(3,484,260)	(3,932,365)	(3,605,510)	(4,155,311)
Total other financing sources (uses)	476,986	(20,427)	(312,932)	(327,022)	2,200,895	1,144,266	9,594,101
Net change in fund balances	(\$471,454)	\$290,507	\$880,548	(\$492,126)	\$2,243,101	(\$1,015,441)	(\$349,146)
Debt service as a percentage of noncapital expenditures	3.4%	15.6%	9.6%	8.8%	7.3%	5.7%	13.1%

Note: The city began to report accrual information when it implemented GASB Statement 34 in FY 2003

**Schedule 5**  
**City of Sioux Center**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal <u>Year</u>	<u>Real Property</u>		<u>Utilities</u>		<u>Total</u>		Assessed Value as a Percentage of Estimated
	<u>Assessed</u>	<u>Estimated Actual Value</u>	<u>Assessed</u>	<u>Estimated Actual Value</u>	<u>Assessed</u>	<u>Estimated Actual Value</u>	<u>Actual</u>
1999-00	\$126,877,487	\$188,435,956	\$1,423,420	\$1,423,420	\$128,300,907	\$189,859,376	67.6%
2000-01	130,805,202	198,031,047	1,407,989	1,415,545	132,213,191	199,446,592	66.3%
2001-02	139,002,317	205,362,319	1,341,770	1,341,770	140,344,087	206,704,089	67.9%
2002-03	159,627,034	246,523,537	1,275,960	1,287,596	160,902,994	247,811,133	64.9%
2003-04	160,872,021	247,768,524	1,244,987	1,244,987	162,117,008	249,013,511	65.1%
2004-05	159,310,103	254,092,890	1,261,133	1,264,303	160,571,236	255,357,193	62.9%
2005-06	164,454,918	259,762,534	1,270,418	1,270,418	165,725,336	261,032,952	63.5%
2006-07	179,069,053	292,992,586	1,167,183	1,170,856	180,236,236	294,163,442	61.3%
2007-08	186,183,196	299,224,460	1,293,020	1,293,020	187,476,216	300,517,480	62.4%
2008-09	205,956,675	343,021,104	1,293,020	1,293,020	207,249,695	344,314,124	60.2%

**Schedule 6**  
**City of Sioux Center**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

Fiscal Year	City Direct Rates					Overlapping Rates				Total City Consolidated Rate
	General Rate	Civic Center Rate	Liability Ins Rate	Employee Benefits Rate	Debt Service Rate	Total Direct City Rate	School District	County Consolidated	Vocational School	
1999-00	8.10000	0.13500	0.39946	2.54096		11.17542	12.96314	3.53387	0.48192	28.15435
2000-01	8.10000	0.13500	0.43980	2.81012		11.48492	13.63856	3.53287	0.52226	29.17861
2001-02	8.10000	0.13500	0.43989	2.96762		11.64251	13.60919	3.51674	0.53380	29.30224
2002-03	8.10000	0.13500	0.41947	2.35705	0.65386	11.66538	14.20535	3.93682	0.54774	30.35529
2003-04	8.10000	0.13500	0.43223	2.97334	0.60000	12.24057	14.30223	4.64743	0.65433	31.84456
2004-05	8.10000	0.13500	0.70419	3.64606	0.60574	13.19099	14.05656	5.06682	0.58447	32.89884
2005-06	8.10000	0.13500	0.64160	4.15154	0.42565	13.45379	14.00026	6.14423	0.58365	34.18193
2006-07	8.10000	0.13500	0.64274	4.61540	0.27741	13.77055	13.98994	6.13163	0.66202	34.55414
2007-08	8.10000	0.13500	0.65838	4.38082	0.69824	13.97244	13.99807	6.03708	0.67287	34.68046
2008-09	8.10000	0.13500	0.82780	4.55974	0.62726	14.24980	14.80599	5.62130	0.68751	35.36460

Note: Overlapping rates are those of other local governments that apply to property owners within the City of Sioux Center.

**Schedule 7**  
**City of Sioux Center**  
**Principal Property Tax Payers**  
**Current and Nine Years Ago**

FY 2009			FY 2000		
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Value</u>	<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Value</u>
Trigen, LLC	\$11,258,327	5.43%	Gorges Quick to Fix	\$5,129,073	4.27%
Farmers Cooperative Society	8,114,615	3.92%	City of Sioux Center	4,104,000	1.98%
City of Sioux Center	7,362,150	3.55%	Farmers Cooperative Society	4,049,348	1.95%
Sioux Automation	4,907,458	2.37%	EMW Groschopp	2,490,768	1.20%
Sioux Center Community Hospital	4,555,580	2.20%	American State Bank	1,794,484	0.87%
Patrick Cudahy	4,178,000	2.02%	John A. Franken	1,621,764	0.78%
American State Bank	2,689,720	1.30%	Sioux Automation	1,216,146	0.59%
Link Manufacturing	2,221,081	1.07%	First National Bank	699,498	0.34%
RC Properties	2,172,156	1.05%	America's Choice Community	637,340	0.31%
Harbor Group Investments	<u>1,828,300</u>	0.88%	Visser Elevator	<u>629,555</u>	0.30%
	<u>\$49,287,387</u>	23.78%		<u>\$22,371,976</u>	10.79%

Source: Assessed valuations are obtained from the Sioux County Assessor's Office.

**Schedule 8**  
**City of Sioux Center**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Total Tax Levy For Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Delinquent Tax Collections</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percent of Levy</u>		<u>Amount</u>	<u>Percent of Levy</u>
1999-00	\$1,844,639	\$1,845,254	100.0%	\$ 376	\$1,845,630	100.1%
2000-01	1,931,481	1,862,810	96.4%	904	1,863,714	96.5%
2001-02	2,104,574	2,286,659	108.7%	82,616	2,369,275	112.6%
2002-03	2,214,809	2,210,123	99.8%	1,725	2,211,848	99.9%
2003-04	2,485,848	2,508,382	100.9%	2,393	2,510,775	101.0%
2004-05	2,606,377	2,691,285	103.3%	315	2,691,600	103.3%
2005-06	2,846,327	2,757,691	96.9%	890	2,758,580	96.9%
2006-07	3,137,741	3,144,012	100.2%	910	3,144,922	100.2%
2007-08	3,316,224	3,308,708	99.8%	899	3,309,607	99.8%
2008-09	3,754,272	3,857,934	102.8%	1,040	3,858,974	102.8%

**Schedule 9**  
**City of Sioux Center**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities	Business-Type Activities			Total	Per Capita
	General Obligation Bonds	Water Bonds	Sewer Bonds	Centre Mall Bonds	Primary Government	
1999-00	\$1,922,693	\$3,900,000	\$1,958,028	\$3,905,000	\$11,685,721	\$1,847
2000-01	2,548,153	4,088,630	2,417,135	3,675,000	12,728,918	2,012
2001-02	3,780,539	3,919,828	2,332,135	3,430,000	13,462,502	2,128
2002-03	4,458,912	3,899,246	2,197,849	3,200,000	13,756,007	2,174
2003-04	3,574,036	3,788,923	2,058,711	2,920,000	12,341,670	1,951
2004-05	3,244,055	3,749,414	1,913,723	4,055,000	12,962,192	2,049
2005-06	2,860,298	3,596,363	1,762,882	3,635,000	11,854,543	1,874
2006-07	4,825,322	4,739,488	1,912,191	3,880,000	15,357,001	2,427
2007-08	5,843,467	4,565,051	1,890,481	3,360,000	15,658,999	2,475
2008-09	10,449,078	4,267,114	1,700,807	2,305,000	18,721,999	2,959

**Schedule 10**  
**City of Sioux Center**  
**Ratios of Outstanding General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Less: Amount Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
1999-00	\$1,922,693	\$802	\$1,921,891	1.50%	\$336
2000-01	2,548,153	1,752	2,546,401	1.93%	424
2001-02	3,780,539	1,359	3,779,180	2.69%	630
2002-03	4,458,912	622,880	3,836,032	2.38%	639
2003-04	3,574,036	7,637	3,566,399	2.20%	594
2004-05	3,244,055	9,463	3,234,592	2.01%	539
2005-06	2,860,298	3,275	2,857,023	1.72%	432
2006-07	4,825,322	27,515	4,797,807	2.66%	726
2007-08	5,843,467	42,911	5,800,556	3.09%	877
2008-09	10,449,078	6,596	10,442,482	5.57%	1,580

**Schedule 11**  
**City of Sioux Center**  
**Direct and Overlapping Governmental Activities Debt**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes:			
Sioux Center Community School District	\$5,755,456	77.23%	\$4,445,110
Sioux County	9,970,000	18.20%	<u>1,815,006</u>
Subtotal, overlapping debt			6,260,116
City of Sioux Center direct debt			<u>10,449,078</u>
Total direct and overlapping debt			<u><u>\$16,709,194</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Iowa Department of Management. Debt outstanding data provided by each governmental unit.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of Sioux Center. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unity's total taxable assessed value.

**Schedule 12**  
**City of Sioux Center**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

<b>Legal Debt Margin Calculation for FY 2009</b>	
Assessed value	\$344,314,124
Debt limit (5% of assessed value)	17,215,706
Debt applicable to limit	
Total general obligation bonds	8,780,000
Less: Amount set aside for repayment of general obligation debt	(6,596)
Total net debt applicable to limit	<u>8,773,404</u>
Legal debt margin	<u><u>\$8,442,302</u></u>

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$9,492,969	\$9,972,330	\$10,335,204	\$12,388,426	\$12,450,676	\$12,767,860	\$13,051,648	\$14,708,172	\$15,025,874	\$17,215,706
Total net debt applicable to limit	5,827,693	7,030,918	8,018,304	7,777,746	7,165,390	7,898,192	6,880,000	9,205,000	9,787,089	8,780,000
Legal debt margin	\$3,665,276	\$2,941,412	\$2,316,900	\$4,610,680	\$5,285,286	\$4,869,668	\$6,171,648	\$5,503,172	\$5,238,785	\$8,435,706
Total net debt applicable to the limit as a percentage of debt limit	61.39%	70.50%	77.58%	62.78%	57.55%	61.86%	52.71%	62.58%	65.13%	51.00%

Note: Under state finance law, the city's total outstanding general obligation debt should not exceed 5% of total assessed property value.



**Schedule 13**  
**City of Sioux Center**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

Water Revenue Bonds

Fiscal Year	Revenue	Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
1999-00	\$967,090	\$530,591	\$436,499		\$137,496	3.17
2000-01	920,943	438,491	482,452	\$60,000	193,390	1.90
2001-02	939,047	471,688	467,359	81,367	190,930	1.72
2002-03	966,858	445,152	521,706	87,435	187,342	1.90
2003-04	1,032,974	449,675	583,299	88,248	183,734	2.14
2004-05	1,065,595	510,760	554,835	94,720	179,402	2.02
2005-06	1,134,541	512,008	622,533	130,000	136,883	2.33
2006-07	1,153,328	577,409	575,919	135,000	137,546	2.11
2007-08	1,179,939	665,935	514,004	200,000	167,654	1.40
2008-09	1,277,352	698,291	579,061	265,000	160,124	1.36

Sewer Revenue Bonds

Fiscal Year	Revenue	Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
1998-99	\$597,844	\$365,304	\$232,540	\$92,259	\$87,501	1.29
1999-00	746,063	381,204	364,859	96,121	85,013	2.01
2000-01	672,284	434,888	237,396	100,028	79,623	1.32
2001-02	604,038	451,634	152,404	85,000	101,763	0.82
2002-03	682,734	439,470	243,264	88,000	96,483	1.32
2003-04	727,269	506,052	221,217	91,000	69,451	1.38
2004-05	921,883	534,482	387,401	95,000	65,712	2.41
2005-06	1,051,212	607,910	443,302	99,000	53,389	2.91
2006-07	926,762	670,680	256,082	103,000	42,000	1.77
2007-08	1,023,489	677,612	345,877	108,000	38,910	2.35
2008-09	1,023,677	798,879	224,798	112,000	35,670	1.52

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

**Schedule 14**  
**City of Sioux Center**  
**Principal Employers**

<u>Rank</u>	<u>Employer</u>	<u>Employees</u>	Percentage of Total City <u>Employment</u>
1	Pella	435	7.10%
2	Sioux Center Community Hospital	425	6.94%
3	Golden Crisp	275	4.49%
4	EMW Groschopp	260	4.24%
5	Harbor Group	190	3.10%
6	Wal-mart	190	3.10%
7	Link Mfg.	170	2.78%
8	Sioux Preme Packing	155	2.53%
9	Sioux Center School District	150	2.45%
10	Sioux Automation	140	2.29%
Total		<u>2390</u>	39.02%

Source: Iowa Workforce Development

**Schedule 15**  
**City of Sioux Center**  
**Demographic and Economic Statistics**

Population	6,611
Median age	25.5
Percentage with high-school equivalency	79.5%
Per capita income	\$16,912
School enrollment	1,391
Unemployment rate	2.9%

Source: Population, median age and education level provided by Bureau of Census.  
School enrollment data provided by local schools.  
Unemployment rate provided by the Iowa Workforce Development.

**Schedule 16**  
**City of Sioux Center**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Government and Utilities Management	16	16	17	17	17	17	18	19	19
Police Officers	7	7	7	7	7	7	7	7	7
Public Works	1	1	1	1	1	1	1	1	1
Culture and Recreation	4	4	6	6	6	6	6	6	6
Library	6	6	6	6	6	6	6	6	6
Electric	4	4	4	4	4	4	4	4	4
Natural Gas	3	3	3	3	3	3	3	3	3
Water	4	4	4	4	4	4	4	4	4
Sewer	4	4	4	4	4	4	4	4	4
Centre Mall	2	2	2	2	2	2	2	2	2
Total	50	50	53	53	53	53	54	55	55

**Schedule 17**  
**City of Sioux Center**  
**Operating Indicators by Function/Program**

<b><u>Function/Program</u></b>	<b><u>2009</u></b>
<b>General Government</b>	
Building Permits Issued	94
<b>Police</b>	
Citations	533
Arrests	168
<b>Fire</b>	
Emergency Responses	113
<b>Parks and Recreation</b>	
All Seasons Center Memberships	540
<b>Library</b>	
Volumes Borrowed	363,000
<b>Water</b>	
Average Daily Consumption	942,000
Peak Consumption	1,525,000
<b>Sewer</b>	
Average Daily Treatment	1,180,000
Peak load (gallons per day)	2,300,000
<b>Electric</b>	
KWH Purchased	112,517,677
KWH Sold	111,559,624
Average Revenue per KWH Sold	0.063
<b>Gas</b>	
MCF Purchased	1,706,878
MCF Sold	1,693,834
Average Revenue per MCF Sold	10.03

**Schedule 18**  
**City of Sioux Center**  
**Capital Asset Statistics by Function/Program**

<b><u>Function/Program</u></b>	<b><u>2009</u></b>
<b>Police</b>	
Stations	1
Patrol units	4
<b>Fire</b>	
Stations	2
Emergency vehicles	7
<b>Other Public Works</b>	
Streets (miles)	52
Highways (miles)	4
Streetlights	683
Traffic signals	4
<b>Parks and Recreation</b>	
Parks/playgrounds	9
Bike trail (miles)	6.5
Baseball/softball diamonds	7
Soccer/football fields	6
Facilities (All Seasons Center)	1
<b>Water</b>	
Water mains (miles)	55
Fire hydrants	275
Number of wells	15
Elevated storage capacity (gallons)	650,000
Water plant capacity (gallons per day)	1,920,000
Meters in service	2,419
<b>Sewer</b>	
Sanitary sewers (miles)	34
Storm sewers (miles)	15
Design capacity (gallons per day)	4,000,000
Number of lift stations	9
<b>Electric</b>	
Electric main wire (miles)	58
Meters in Service	2,652
<b>Gas</b>	
Gas mains (miles)	67
Meters in Service	2,209

Source: Various city departments

City of Sioux Center, Iowa

Staff

This audit was performed by:

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